refinery—all of which have urgent need of it. But without detracting one iota from the major uses for which this project is intended, a whole complex of attendant benefits have been included—designed to enrich the economy, improve the quality of the land, and enhance the condition of wildlife.

Flood control provided by Arbuckle Dam and Reservoir will be effective on both Rock Creek and the Washita River. The reservoir will provide nearly 6,000 acres of water surface for those who seek recreation in aquatic sports. Beneath that surface will be the fisherman's quarry. On the Big Sandy Creek arm of the reservoir, a wildlife management area will provide better conditions for the area's animal and waterfowl population and enhance opportunities for hunters.

You are lucky that the setting for your reservoir has so much natural beauty. It does not always work out that we can improve an area in so many ways. In some cases, to do the primary job means to do just that job and not much else. Here, however, you have all the makings at hand for a recreational area which will be of truly national significance. Platte National Park is close by and is presently receiving almost more use than it can stand. The proximity of your reservoir to the Platte National Park will make that park an even greater attraction and will increase the visitor pressure. Within the limits imposed by our present authorization for this project, we will provide recreational facilities to supplement those now available at the national park. But the prospects are that with recreation growing faster than any of our other leading industries, there will be a need for private developers to provide recreational opportunities beyond any that the Government—either Federal or State—can provide. All this enriches the economy of the Nation and of your area, and adds to the quality of America's outdoor opportunities.

We are completely understanding and sympathetic to the position of those people who will be required to sell their land and, in some instances, relocate their homes. This is often the case in water-resource developments involving storage, and no better way has been found than to weigh the public good against the private problems involved and then do what seems best for the area or the Nation as a whole. In such cases, the rights of individual property owners are protected by careful constitutional and statutory safeguards, requiring fair and just payment to the owners before any land is taken for public purposes.

I congratulate your State government for its direct financial participation in this project. The State of Oklahoma has underwritten the repayment of all costs associated with providing a future water supply, and I firmly believe that this is a proper expression of a joint Federal-State endeavor. Your water conservation storage commission, led by Dr. Church, is to be complimented on the part it has played in developing the project.

For many years prior to the formation of the Arbuckle Conservancy District, the Southern Oklahoma Development Association was active in working out details of the project with the Department of the Interior's Bureau of Reclamation and seeking authorization by Congress. Gene Cope must surely be recognized and applauded for all the effort he and his organization have made to bring us to this point of initiation today.

We have dwelt at some length during the planning and researching stages of this project on the benefits that will accrue to this area as the waters of Rock Creek and the Washita River are harnessed and put to work for the people in the immediate vicinity of this project.

We have said little, however, of the effects of what we begin here today on areas far beyond the so-called limits of this project. We are dealing here not merely with a sizable, rolled earth-filled dam—we are dealing with water. More and more we coming to realize that water is not a district problem, not a State problem, not a regional or river basin problem—not even a national problem. It is a concern which is global in its scope. On the whims and vagaries of this one element in our environment have hung the glories and the tragedies of whole civilizations in the past. On the taming and mastering of it hangs the hope of the future.

Much remains to be discovered before the oceans will yield the fresh water so desperately needed in parts of this country and the world at large—in quantities and a cost which would make its use economically feasible. In spite of our sophisticated weaponry in the battle to harness water, much still remains outside the range of our power and competence. The raindrops continue to fall with their own pattern, ignoring the dry areas of the earth where water is more precious than gold but strumming steadily on such regions as the 2-million-square-mile basin of the Amazon River, which discharges 3½ billion gallons of fresh water every minute into the Atlantic Ocean. This is 12 times the flow of our own river giant—the Mississippi— and yet to date we have no way of balancing this abundance in one area against the drought in other areas.

The search, however, continues. Our efforts in the direction of saline water conversion have shown steady progress. The costs of desalinization are coming down as new methods, multiple-use plants and by-product recovery have been added to the process.

And we continue to work with known factors, such as the project we are starting here today * * * knowing that we not only create a fine municipal and industrial water supply, virtually eliminate flood danger, improve wildlife habitat and provide a splendid recreation area, but also that we are improving the overall quality of American life—that we are moving in the direction of what President Johnson has called the great society.

With our population hovering at the 200 million mark the Nation is already using 6 billion gallons of water daily. By 1970 we will be using twice that much and it will require every ounce of creative conservation we possess to meet these prodigious demands.

Since 1961, the Kennedy-Johnson administration has authorized projects that will provide 5 million acre-feet of water storage. Twelve new water resource developments are underway; 8 major and 15 smaller reclamation projects have been authorized and funds have been appropriated. Some 250 new watershed projects will conserve surface water, prevent soil erosion, and build up underground water supplies. Since 1961 we have spent nearly $70 million for surface and underground water research and the saline water conversion program has been expanded sixfold. All these things we have done, and more are projected. Among them are a multibillion-dollar, long-term national water program to meet the Nation's pressing needs.

But more is needed, and more will be forthcoming. We have a President who recognizes the urgency in facing up to the needs of a rocketing population. We have an administration which is not content with just keeping abreast of these needs, but is determined to build an ever greater society.

But even with great leadership, a nation can founder. It takes understanding, dedication and commitment on the part of all who hold positions of trust in this democratic society if we are to move ahead instead of falling irrevocably behind in this race between mounting need and available resource.

We would not have this opportunity to break ground here today had it not been for the willingness of the Arbuckle Master Conservancy District and the State of Oklahoma to work out with us the repayment contracts required as a prelude to starting construction. Mr. Glen Key, president of the Conservancy District, and his directors, Mr. Cofer of Wynnewood and Mr. Horner of Davis, have spent many long hours working with us to iron out all details of repayment, so that we could arrive at this happy point today.

It is from this kind of cooperative effort that the great society is being built. In the words of President Johnson:

"The great society is not a safe harbor, a resting place, a final objective, a finished work. It is a challenge constantly renewed beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor."

I should just like to add, that the sounds which accompany the building of a great society are not merely rhetoric—they include the sound of the wrecking ball clearing away slums for urban renewal, the riffle of a page in a school library, the bite of a tractor-drawn plow into rich farm earth, the hum of the assembly line, the evening chirp of a mallard duckling and the laughter of a child. They also include the dynamite blast that heralds the building of a dam, and it is my very great pleasure to be with you as you celebrate another milestone in Oklahoma's multipurpose water program.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 25, 1964

The House met at 12 o'clock noon.

The Reverend Robert M. Taylor, minister, the Central Presbyterian Church, Downingtown, Pa., offered the following prayer:

Eternal God, our Heavenly Father, we come to Thee not so much from custom as from need. Cleanse our minds and hearts and help us to acknowledge Thy lordship over all of life.

Fill us with renewed awe that Thou hast called us to be partners with Thee in governing the orderly processes of civilization. Free us from the tyranny of the temporal so that we may be attuned to the whisper of Thy wisdom.

Put Thine arm of love around us; make us sensitive to the leading of Thy holy spirit, and fill us with a renewed dedication to seek and pursue Thy purposes of powerful love for all men.

Be with the Members, officers, and others involved in the work of this House. Guide the President, his Cabinet, the Senators, the judges, and all others who strive in their lives to vote "yes" for Thee. We pray that Thy grace may be sufficient for all of Thy servants, drawing out of each that true greatness which serves before it seeks to be served and which pauses to listen to Thee before being pressured by a babel of tongues and tensions.

O God, we know how many are depending on us and praying for us. We also know how much Thou art depending on us and wooing us. Fill us now with that courage and that love which are

needed to be Thy representatives in a Nation that is truly under God.

In the name of Him who came to bring us life and that more abundantly. 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, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10456. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SYMINGTON, Mr. STENNIS, Mr. HOLLAND, Mrs. SMITH, and Mr. CASE to be the conferees on the part of the Senate.

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

H.R. 8462. An act to authorize the conveyance of certain real property of the United States heretofore granted to the city of Grand Prairie, Tex., for public airport purposes, contingent upon approval by the Administrator of the Federal Aviation Agency, and to provide for the conveyance to the United States of certain real property now used by such city for public airport purposes.

TO AUTHORIZE APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10456) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to a conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none and appoints the following conferees: Messrs. MILLER of California, TEAGUE of Texas, KARTH, HECHLER, MARTIN of Massachusetts, FULTON of Pennsylvania, and CHENOWETH.

PERMIT VESSEL "SC–1473" TO ENGAGE IN THE FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6007) to permit the vessel *SC–1473* to engage in fisheries.

The Clerk read the title of the bill.

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

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, what is the bill?

Mr. BONNER. Mr. Speaker, if the gentleman will yield, this bill is designated to document under the American flag, for fishing purposes, a vessel that was built during World War II by the Navy through a subcontractor in Canada and which is a derelict in the Charleston Harbor. An American citizen has bought it.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the vessel *SC–1473* may be documented as a vessel of the United States and may engage in the foreign and coastwise trade and in the fisheries as long as such vessel is owned by a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE INDIANA PORT

Mr. ROUSH. 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 Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, Indiana is rapidly taking her place as one of the great industrial States of this Nation. The proposed Indiana deepwater port on Lake Michigan will add to her growth potential.

The port is necessary if this country is to keep pace and remain competitive with a world which is rapidly modernizing her shipping facilities. It is necessary if shipping is to keep up with the rapid growth of the industry of the midwest and the needs of our agricultural economy. It is necessary if Indiana is to take her place as a progressive and ever-growing State.

The National Rivers and Harbors Congress at its 51st annual national convention, upon the recommendation of the national projects committee, voted unanimously to endorse the Burns Waterway Harbor, Ind. It was the judgment of the committee that the project is sound, necessary and sufficiently advanced in status; and that its construction is justified by the public interest it will serve.

Indiana is grateful for this endorsement and the stimulus it will provide for congressional approval of this project.

SPEAKER'S FEES PAID TO JOHN MORLEY BY UNSUSPECTING CALIFORNIANS

Mr. VAN DEERLIN. 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 California?

There was no objection.

Mr. VAN DEERLIN. Mr. Speaker, for 14 years to my knowledge, leading luncheon clubs in San Diego and elsewhere in southern California have been paying speaker's fees to one John Morley. Mr. Morley represents himself as a foreign correspondent. Occasionally he has appeared in the military attire of a war correspondent.

The gist of his message never varies. It is that America is the victim of diplomatic stupidity bordering on treason.

Morely keeps his poison up to date. Thus, on Tuesday of this week, he cited a purported conversation with Henry Cabot Lodge to deprecate the American effort in South Vietnam.

I have recently checked this man's credentials. I find that John Morley is not accredited to the Washington press corps, and that he is unknown to the State Department. He is unlisted by the National Press Club. The major organization of foreign correspondents—the Overseas Press Club of America, Inc.—has never heard of him, let alone listing him as a member. All these facts have been confirmed to me in writing.

I do not begrudge Mr. Morley the generous fees paid him by unsuspecting Californians. But I must warn that the views he expresses do not come from an accepted member of the profession Mr. Morley claims to represent.

THE CIVIL RIGHTS SITUATION IN MISSISSIPPI

Mr. FARBSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, on Tuesday of this week I spoke for diligent efforts by the authorities in Mississippi and by the Federal Government to try to locate the young men who have been participating in a voter registration drive, and other civil rights activities, in the State of Mississippi. It appears that their rescue is hopeless; and another dastardly crime against law-abiding citizens has occurred. I hope events prove me wrong.

It is a sad commentary that citizens of this great country should not receive the necessary protection when they announce their intentions to engage in what is recognized to be legal activities within a community. It appears obvious that the local authorities in the State of Mississippi are either unable or unwilling to afford the protection necessary.

Under these circumstances, I believe that the Federal Government can do no less than to see that vigorous measures, whatever they may be, are taken to protect the lives and well-being of American citizens within the borders of any State; and in this particular instance in the State of Mississippi.

I have received communications from numerous of my constituents who inform me that because they feel it is their responsibility, as American citizens, to make our country a land of freedom and equality for all, they are undertaking as a summer project assistance to citizens in the State of Mississippi. They have been urging me to obtain Federal protection for them.

I therefore urge that Federal marshals, and stronger measures, if necessary, be taken to protect those of my constituents who are going to travel and work in Mississippi this summer. This is their right as citizens of this country. This is the country's obligation to its citizens.

Mr. EDMONDSON. 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 Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, on Friday, June 12, the Governor of Oklahoma, the Honorable Henry Bellmon, led in Oklahoma Day exercises at the New York World's Fair. I know that the hundreds of Oklahomans who were in attendance at this exercise were very proud of the exhibit, and of the unveiling of an outstanding work of a sculpture by one of Oklahoma's great Indian artists, Willard Stone, highlighting the participation of our State in the World's Fair.

I know there have been some critics of the World's Fair, but in my judgment and the judgment of my family, it is an outstanding exhibition which does full credit not only to the United States but also to the many exhibitors who participate in it. I predict it will be recognized as one of the outstanding world fairs of our time.

I think we of the Congress can take great pride in the U.S. pavilion at the World's Fair. It came as a surprise to me that at least one Member of this body had been critical of that exhibit, for the reaction to the U.S. pavilion among the members of our family was uniformly good. We were especially impressed by the inspiring message carried by that great exhibit. I think it strengthens and increases the pride and patriotism of every American to have the opportunity to see such an outstanding exhibit, and I congratulate its creators as well as the directors of the fair itself.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1965

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10433) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1965, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? The Chair hears none, and appoints the following conferees: Messrs. KIRWAN, DENTON, MAHON, HARRISON, and REIFEL.

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight Friday to file a conference report on the bill H.R. 10433.

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

There was no objection.

GRAND PRAIRIE, TEX.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8462) to authorize the conveyance of certain real property of the United States heretofore granted to the city of Grand Prairie, Tex., for public airport purposes, contingent upon approval by the Administrator of the Federal Aviation Agency, and to provide for the conveyance to the United States of certain real property now used by such city for public airport purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That (a) subject to the provisions of section 2 of this Act, the city of Grand Prairie, Texas, shall be authorized to convey to the highest bidder all right, title, and interest of such city in and to certain real property transferred to such city for public airport purposes by the United States. Such real property consists of a tract of land containing 127.99 acres, more or less, comprising a portion of the 195.82-acre tract situated in the county of Dallas, State of Texas, described in the deed dated May 22, 1962, entered into between the United States as grantor, acting by and through the Secretary of the Army, and the city of Grand Prairie, Texas, as grantee, and more particularly described as follows:

"Being a track or parcel of land lying and situated in Grand Prairie, Dallas County, Texas, and a part of the McKinney and Williams survey, abstract numbered 1045 and the Elizabeth Gray survey, abstract numbered 517.

"Beginning at a point on the east right-of-way line of Carrier Parkway (formerly Southwest Eighth Street) where it intersects the south boundary line of the McKinney and Williams survey, abstract numbered 1045, said point being the northwest corner of lot 17, block 9, of the Indian Hills Park addition to the city of Grand Prairie:

"thence south 0 degree 33 minutes 30 seconds west along the east right-of-way line of Carrier Parkway a distance of 2,683.0 feet to the southeast corner of Grand Prairie Airport;

"thence north 89 degrees 34 minutes 30 seconds west a distance of 1,509.8 feet along the south boundary line to a point, said point being 200 feet easterly of and perpendicular to the extended centerline of the north-south runway;

"thence north 1 degree 19 minutes 30 seconds west and parallel to said centerline a distance of 2,670.35 feet to a five-eight-inch pipe, said point being 200 feet easterly of and perpendicular to said centerline;

"thence north 0 degree 52 minutes west, 1,050 feet to a one-half-inch rod, said point being the easternmost southeast corner of a 42.39-acre tract presently owned by the United States of America and licensed to the Texas National Guard;

"thence north 8 degrees 20 minutes 30 seconds west a distance of 691.70 feet to a point on the south right-of-way line of Jefferson Avenue;

"thence north 81 degrees 39 minutes 30 seconds east along the south right-of-way line of Jefferson Avenue a distance of 249.06 feet to the northwest corner of land known as General Services Administration land acquisition;

"thence south 8 degrees 20 minutes 30 seconds east a distance of 830 feet to a point for General Services Administration land's southwest corner;

"thence south 44 degrees 41 minutes 30 seconds east following General Services Administration land's southerly boundary line a distance of 2,016.45 feet to the place of beginning and containing 127.99 acres of land, more or less,

together with the rights appurtenant to the above-described land, under and by virtue of the restrictive condition contained in deed without warranty dated January 12, 1961, recorded in volume 5490, page 26, Deed Records of Dallas County, Texas, whereby the United States of America conveyed 31.97 acres of adjacent land, more or less, to Jerome K. Dealey, Dallas, Texas, said restrictive condition in said deed without warranty from the United States of America to the said Jerome K. Dealey providing that the construction of buildings or improvements on the land therein and thereby conveyed shall be restricted in height so that there will be no obstructions above the plane of an approach zone with a glide angle of 20:1 where the zero elevation beginning point for the glide angle is fixed by starting at a 1¼-inch iron pipe, being the northwest corner of the Indian Hills Park addition (abstract 517) to the city of Grand Prairie, Texas, as shown in volume 17, page 365 of the Plat Records of Dallas County, Texas, and the northwest corner of lot 17, block 9 of said Indian Hills Park addition; thence, north 40 degrees 3 minutes west 905 feet, more or less, to the intersection of such line with the center line of an existing asphalt runway; said approach zone plan to be 250 feet wide, extending 125 feet on either side of point of beginning and 410 feet wide at 20:1 slant distance of 1,600 feet along the runway center line extending from the point of beginning.

"(b) Subject to the provisions of section 2 of this Act, the city of Grand Prairie, Texas, shall convey to the United States, acting by and through the Secretary of the Army, all right, title, and interest of such city in and to certain real property transferred to such city for public airport purposes by the United States. Such real property consists of a tract of land containing 67.83 acres, more or less, comprising a portion of the 195.82-acre tract situated in the county of Dallas, State of Texas, the exact legal description of which property is contained in the deed dated May 22, 1962, entered into between the United States as grantor, acting by and through the Secretary of the Army, and the city of Grand Prairie, Texas, as grantee, and more particularly described as follows:

"Being a tract of land situated in the county of Dallas, State of Texas, and being part of the McKinney and Williams survey (A–1045) and part of the Elizabeth Gray sur-

vey (A–517), and being more particularly described as follows:

"Beginning at a 1¼-inch pipe at the intersection of the south boundary line of said Elizabeth Gray survey with the east right-of-way line of Southwest Fourteenth Street (formerly locally called Twelfth Street Road), said pipe being located south 89 degrees 26 minutes east, 20 feet from the southwest corner of said Elizabeth Gray survey;

"thence along the boundary line of a 195.-82-acre tract of land conveyed by the United States of America to the city of Grand Praire by deed without warranty dated May 22, 1962, and recorded in volume 5810 at page 206 of the Deed Records of Dallas County, Texas, as follows: along the east right-of-way line of Southwest Fourteenth Street, north 00 degrees 22 minutes 30 seconds east, 1,154.45 feet to a five-eighths-inch pipe, said point being the southernmost corner of a 42.39-acre tract presently owned by the United States of America and licensed to the Texas National Guard;

"thence along the boundary line of said 42.39-acre tract as follows: north 29 degrees 32 minutes 30 seconds east, 981.15 feet to a one-half-inch rod, said point being perpendicular to and 400 feet west of the centerline of a north-south runway;

"thence north 01 degrees 19 minutes 30 seconds west, along a line parallel to and 400 feet west of said centerline, 1,476.75 feet to a one-half-inch rod on the south boundary line of the most western ramp;

"thence north 81 degrees 59 minutes 30 seconds east, 614.10 feet to a one-half-inch rod, said point being the easternmost southeast corner of said 42.39-acre tract, and a reentrant corner of aforesaid 195.82-acre tract;

"thence departing from the boundary line of said 195.82-acre tract and said 42.39-acre tract, severing said 195.82-acre tract, south 00 degrees 52 minutes east, 1,050 feet to a five-eighths-inch pipe, said point being 200 feet easterly of and perpendicular to the centerline of said runway;

"thence 200 feet easterly of and parallel to said centerline and its southerly extension, south 01 degrees 19 minutes 30 seconds east, 2,670.35 feet to a railroad spike set in a south boundary line of said 195.82-acre tract, same being the south boundary line of the Elizabeth Gray survey;

"thence along the boundary line of said 195.82-acre tract as follows: along the south boundary line of said Elizabeth Gray survey, north 89 degrees 34 minutes 30 seconds west, 47.5 feet to a point in the east boundary line of the William C. May survey (A–890);

"thence along the common line between said May and Gray surveys as follows: north 00 degrees 02 minutes west, 138.4 feet to a three-fourths-inch rod for the northeast corner of said May survey and a reentrant corner of said Gray survey;

"thence north 89 degrees 26 minutes west, 1,091 feet to the point of beginning, containing 67.83 acres, more or less.

"(c) Subject to the provisions of section 2 of this Act, the city of Grand Prairie, Texas, shall convey to the United States such avigation, clearing, and restrictive easements over the 127.99 acres described in section 1 (a) of this Act, as the Secretary of the Army, after consultation with the Administrator of the Federal Aviation Agency, shall determine necessary to provide adequate lateral and transitional zone clearance for the operation and utilization of the airstrip (runway) located within the 67.83 acres of land described in section 1(b) of this Act.

"SEC. 2. (a) The sale referred to in subsection (a) of the first section of this Act shall be authorized in writing by the Administrator of the Federal Aviation Agency, only after—

"1. A site for a new airport has been selected and the Administrator, Federal Aviation Agency, has determined that such site is capable of being developed and used as an airport adequate to meet the needs of Grand Prairie;

"2. A plan for construction of airport facilities at the new site has been submitted to and approved by the Administrator, Federal Aviation Agency;

"3. The city of Grand Prairie has, through advertising and sealed bids, provided assurances that construction of airport facilities can be accomplished in accordance with the plan submitted to and approved by the Administrator, Federal Aviation Agency; and

"4. The city of Grand Prairie has, after advertising, received sealed bids on the 127.99 acres to be sold and determines that the bid to be accepted is in an amount equal to or greater than the combined costs of acquiring land for a new airport site and constructing the airport facilities thereon in accordance with plans submitted to and approved by the Administrator, Federal Aviation Agency.

"(b) Airport facilities constructed with the proceeds of the sale authorized in section 1(a) shall be only those kinds of facilities which are eligible for construction with Federal funds under the Federal Airport Act. Any proceeds of the sale of the 127.99 acres in excess of the amount needed for acquisition and construction at the new site shall be paid to the Administrator of the Federal Aviation Agency. The Administrator is authorized to receive such excess proceeds and to use such proceeds for the purposes of the discretionary fund established under section 6(b) of the Federal Airport Act.

"(c) The real property acquired by the city of Grand Prairie, Texas, with the proceeds of the sale authorized pursuant to subsection (a) of the first section of this Act shall be subject to such terms, exceptions, reservations, conditions, and covenants as the Administrator of the Federal Aviation Agency, after consultation with the Secretary of the Army, may deem appropriate to assure that such property will be held and used by such city for public airport purposes; and also subject to the condition that the United States and its assigns, agents, permittees, and licensees (including but not limited to the Texas National Guard) shall have the right of joint use, without charge of any kind, with the city of Grand Prairie of the landing areas, runways, and taxiways for landings and take-offs of aircraft, together with the right of ingress and egress to said landing areas, runways, and taxiways.

"(d) Subject to the approval of the Administrator of the Federal Aviation Agency with respect to the coordination of the sale authorized by him under the foregoing provisions of this section with the conveyance required by this subsection, the city of Grand Prairie, Texas, shall convey, without monetary consideration therefor, to the United States, acting by and through the Secretary of the Army, that tract of land containing 67.83 acres, more or less, situated in the county of Dallas, State of Texas, the exact legal description of which is set forth in subsection (b) of the first section of this Act; together with all such avigation, clearing and restrictive easements described in section 1(c) of this Act.

"(e) The enactment of this Act shall in no manner serve to waive or diminish the existing obligations of the city of Grand Prairie, Texas, to operate and maintain these lands as a public airport until such time as a final determination thereon is made by the Administrator of the Federal Aviation Agency: *Provided further,* That the city shall continue to provide, without cost to the Department of the Army, for the repair, maintenance, and operation of the existing Grand Prairie Airport and related facilities until such time as the same is reconveyed to the United States, and/or the civilian use of this airfield is transferred to the proposed new city airport.

"SEC. 3. The provisions relating to the reversion to the United States of legal title to certain real property in the event it is not used for airport purposes contained in the deed dated May 22, 1962, entered into between the United States as grantor, acting by and through the Secretary of the Army, and the city of Grand Prairie, Texas, as grantee, are hereby declared to be null and void from and after the date of the disposal of said property in compliance with the provisions of this Act, to the extent such provisions apply to the 127.99 acres, more or less, described in subsection (a) of the first section of this Act.

"SEC. 4. The Administrator of the Federal Aviation Agency shall issue and obtain such written instruments as may be necessary to carry out the foregoing provisions of this Act. However, prior approval of the Secretary of the Army shall be obtained as to those instruments of direct concern to the Department of the Army, and the Secretary of the Army is hereby authorized and directed to accept, on behalf of the United States, all instruments of conveyance of such real property and real property interests as are conveyed to the United States pursuant to the foregoing provisions of this Act, and to accept custody and control of such property."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

NATIONAL RAILROAD ADJUSTMENT BOARD

Mr. WILLIAMS. 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 Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, at this time I would like to announce that the Subcommittee on Transportation and Aeronautics will hold hearings on July 21 and the balance of that week on H.R. 8982, 8983, and 8984, bills amending the Railway Labor Act with respect to the procedures of the National Railroad Adjustment Board.

The National Railroad Adjustment Board is a Board established by law for final settlement of disputes between individual railroad employees and their employers arising out of the interpretation or application of collective bargaining agreements.

Since the establishment of that Board in 1934, a substantial backlog of work has existed, primarily in the first and third divisions. In recent years that backlog has begun to increase.

The purpose of these hearings will be to determine whether any changes in the law are needed to eliminate this backlog and to provide a procedure whereby these disputes can be settled in a reasonable time.

CALL OF THE HOUSE

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

The SPEAKER. The gentleman from Washington makes the point of order that a quorum is not present. Evidently, a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 167]

Ashbrook	Green, Oreg.	Pillion
Avery	Gubser	Powell
Baring	Harris	Randall
Bennett, Mich.	Hays	Rogers, Tex.
Bolling	Healey	Schadeberg
Bruce	Hoffman	Schwengel
Cameron	Ichord	Scott
Celler	Johnson, Pa.	Senner
Clausen, Don H.	Kee	Sheppard
Conte	Kilgore	Springer
Davis, Tenn.	King, Calif.	Staggers
Diggs	Miller, N.Y.	Stubblefield
Forrester	Morgan	Watts
Gallagher	Morrison	Willis
	Pilcher	

The SPEAKER. On this rollcall 390 Members have answered to their names, a quorum.

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

CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 1965

Mr. MAHON. Mr. Speaker, I call up House Joint Resolution 1056, and ask unanimous consent that it be considered in the House as in the Committee of the Whole House on the State of the Union.

The Clerk read the title of the resolution.

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

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1965, namely:

SEC. 101. (a)(1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1964 and for which appropriations, funds, or other authority would be available in the following appropriation Acts for the fiscal year 1965:

District of Columbia Appropriation Act;

Department of the Interior and Related Agencies Appropriation Act;

Treasury-Post Office Departments and Executive Office Appropriation Act;

Legislative Branch Appropriation Act;

Departments of Labor and Health, Education, and Welfare Appropriation Act;

Department of Defense Appropriation Act;

Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act;

Department of Agriculture and Related Agencies Appropriation Act;

Independent Offices Appropriation Act;

Military Construction Appropriation Act; and the

Public Works Appropriation Act.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed by the House is different from that which would be available or granted under such Act as passed by the Senate, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority.

(4) Whenever an Act listed in this subsection has been passed by only one House or where an item is included in only one version of an Act as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, fund, or authority, granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower: *Provided,* That no provision which is included in an appropriation Act enumerated in this subsection but which was not included in the applicable appropriation Act for the fiscal year 1964, and which by its terms is applicable to more than one appropriation, fund, or authority, shall be applicable to any appropriation, fund, or authority, provided in this joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and Senate.

(b) Such amounts as may be necessary for continuing projects or activities which were conducted in the fiscal year 1964 and are listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority:

Foreign assistance and other activities for which provision was made in the Foreign Aid and Related Agencies Appropriation Act, 1964;

National Aeronautics and Space Administration; and

Department of Health, Education, and Welfare:

Office of Education: Grants for library services.

(c) Such amounts as may be necessary for continuing projects or activities which were conducted by the Department of Health, Education, and Welfare in the fiscal year 1964 and are listed in this subsection at a rate for operations not in excess of the current rate:

Public health traineeship grants under section 306 of the Public Health Service Act, as amended;

Professional nurse traineeship grants under section 307 of the Public Health Service Act, as amended;

Hospital and medical facilities construction grants under parts C and G of title VI of the Public Health Service Act, as amended;

Assistance for repatriated United States nationals under section 1113 of the Social Security Act, as amended; and

Activities under the appropriation "Juvenile delinquency and youth offenses".

(d) Such amounts as may be necessary for continuing projects or activities for which disbursements are made by the Secretary of the Senate, and the Senate items under the Architect of the Capitol, to the extent and in the manner which would be provided for in the budget estimates for the fiscal year 1965.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) August 31, 1964, whichever first occurs.

SEC. 103. Appropriations and funds made available or authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d)(2) of section 3679 of the Revised Statutes, as amended, and expenditures therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 104. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1964. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

Mr. MAHON. Mr. Speaker, this is the customary type of resolution which the Congress, for a good many years, has found necessary to adopt on the eve of the new fiscal year to avoid interruption or disablement of the continuing functions of Government in the interval between June 30 and final approval of the applicable regular annual appropriation bills. The ranking minority member of the Committee on Appropriations, the distinguished gentleman from Iowa [Mr. JENSEN], and I have conferred on the matter and we call up the resolution with the approval of the Committee. I am not aware of any disagreement on the proposition. We have conferred with the leadership as to the time period and, exactly as last year, the resolution covers 2 months—to August 31.

The resolution follows the sterotyped form perfected some years ago to accommodate the public necessities on an interim, minimum basis.

The House has moved the general appropriations bills with dispatch: 11 of the 12 regular bills for fiscal year 1965 have been sent to the other body. The 12th and last one—foreign assistance—is available today and we hope to be in position to call it up in the House early next week. If we pass it by next Tuesday, all the regular bills will have cleared the House before the advent of the new fiscal year. It has been 4 years since all the regular bills cleared the House by that date.

The other body has until recent days been so fully occupied with another matter that it has not gotten as far along on the appropriations. But the other body now seems to be moving with dispatch; it has passed two of the bills—Interior and Treasury-Post Office—this week, and we have a conference scheduled on one of them tomorrow. The other one will be in conference shortly. So, Mr. Speaker, we can assure the House that the appropriations business now seems to be moving right along. And we intend to cooperate in every practicable way to keep it moving. The pending resolution is the stopgap interim solution.

The resolution ceases to apply to an agency or activity concurrent with approval by the President of the annual supply bill in which provision for it has been disposed. Thus the scope of the resolution constricts as each regular bill is finally enacted; the resolution would be wholly inoperative after the last approval. In accord with previous practice, the emphasis is on the continuation of existing projects and activities at the lower of one of three rates; namely, first, the current—1964—fiscal year; second, the budget request, where no action has been taken by either House; or third, the more restrictive amount adopted by either of the two Houses.

In further elucidation, may I say that in those instances where bills have passed both bodies and the amounts or authority therein differ, the pertinent project or activity continues under the lesser of the two amounts approved and under the more restrictive authority.

Where a bill has passed only one House, or where an appropriation for a project or activity is included in only one version of the bill as passed by both Houses, the pertinent project or activity continues under the appropriation, fund, or authority granted by the one House, but at a rate of operations not exceeding the fiscal year 1964 rate or the rate permitted by the one House, whichever is the lower.

In those instances where neither House has passed an appropriation bill for the fiscal year 1965, appropriations are provided for continuing projects or activities conducted during fiscal year 1964 at the current rate or the pending budget estimate, whichever is lower, and under the more restrictive authority.

SUMMARY OF APPROPRIATIONS

Mr. Speaker, by way of summary, in this session to date, in both the deficiency bills for 1964 and in the 11 regular bills for fiscal 1965, the House has considered budget requests for appropriations aggregating $92,348,302,844 against which, in the bills as passed, we have approved $83,692,115,929, an apparent—and striking—reduction of $8,656,186,915. But I must hasten to say that this is a gross distortion occasioned by the deletion on a point of order from the House floor of the entire $5,200 million recommended by the Committee on Appropriations for the national space program. Assuming House approval of that recommendation or something approximating it—and I take it we can all agree with the reasonableness of that assumption—the totals, in perspective, would show appropriations recommended by the House for the session to date of $88,892,115,929, a reduction of nearly $3½ billion below the Executive requests—precisely, $3,456,-186,915. The other body has not yet passed enough bills to disclose any meaningful totals on the results of its deliberations.

The foreign assistance bill reported to the House this morning involves budget appropriation requests of $3,958,377,000 in all titles. The committee has recommended a cut of $219,127,600.

In conclusion, Mr. Speaker, and to repeat for emphasis, the pending resolution is the usual, and of course absolutely essential course of action under the circumstances. By way of reassurance—because the question invariably arises—may I say that the resolution does not in any way supplement or add to the appropriations in the regular bills. It is strictly a stopgap measure to keep the doors of Government opening each morning on a minimum basis until funds for the whole year are supplied in the regular course of events. In the words of the resolution itself:

> Expenditures therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

I urge adoption of the resolution.

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

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

Mr. JENSEN. Mr. Speaker, I agree with what the gentleman from Texas has said about the continuing resolution. It is a resolution which is similar to every continuing resolution Congress has passed in previous years.

Our former chairman, Mr. Cannon, who passed to his reward during this session, set a time schedule for all appropriation bills to come before the House of Representatives. The minority worked with Mr. Cannon in the fullest manner. We not only cooperated with him but the minority members of the Committee on Appropriations adopted a motion that we would support his time schedule, and we have done that.

The time schedule which Mr. Cannon set up has been followed almost to the letter and to the day. I know that our good chairman, the gentleman from Texas [Mr. MAHON], cooperated fully with Mr. Cannon and the rest of the members of the Committee on Appropriations in accomplishing this fact.

So, Mr. Speaker, I can only say that I agree to the date set for the termination of the continuing resolution, which the gentleman from Texas [Mr. MAHON] and I and others on the Committee on Appropriations have agreed should be August 31, 1964.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa and I may have permission to revise and extend our remarks in connection with this continuing resolution.

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

There was no objection.

URBAN MASS TRANSPORTATION

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3881) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 3881, with Mr. Moss in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 1 ending on line 19, page 13.

AMENDMENT OFFERED BY MR. RAINS

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

The Clerk read as follows:

> Amendment offered by Mr. RAINS: On page 13, line 19, strike out "1963" and insert "1964".

Mr. RAINS. Mr. Speaker, this is a strictly technical amendment and I am sure there is no objection to it.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) that the predominant part of the Nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary lines of local jurisdictions and often extend into two or more States;

(2) that the welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, and other federally aided programs are being jeopardized by the deterioration or inadequate provision of urban transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis; and

(3) that Federal financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

(b) The purposes of this Act are—

(1) to assist in the development of improved mass transportation facilities, equipment, techniques, and methods;

(2) to encourage the planning and establishment of areawide urban mass transportation systems needed for economical and desirable urban development; and

(3) to provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs.

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

Mr. Chairman, this bill is one of the most important matters of legislation to be considered in this session of the Congress. It is a recognized fact that the population of our Nation over the last quarter of a century and, particularly,

since the depression years has gravitated into and become concentrated in the cities and metropolitan areas. The poplation of our metropolitan areas is increasing by leaps and bonds annually. Small towns throughout the United States naturally are not confronted with the kind of transportation crisis which is being experienced in most of the major cities in this country.

The Committee on Banking and Currency has held long and tedious hearings on this legislation. Mayors, city officials, business interests, chambers of commerce, and labor organizations—all have testified as to the necessity to have our Federal Government aid our cities in the handling of this transportation problem that is expanding so rapidly and which has such an important effect on the economy of our Nation.

The Calumet region of Indiana in the First Congressional District of Indiana which I represent is located right in the shadow of Chicago. Metropolitan Chicago is an area with a population of approximately 6 million people. This area is located in the pathway of all transportation coming east into Chicago and also all transportation going East out of the city of Chicago and the Northwest goes through my congressional district. We have over 20 main railroad lines going through our area.

During the debate some Members yesterday stated that this is more or less a local problem. I want to state that the people of Gary, Hammond, East Chicago, and smaller towns in my area could not begin to finance and could not begin to solve the critical transportation problem that comes through the Calumet region of Indiana.

This traffic crisis in our area is not caused primarily by the people living in my area. This transportation problem in my area is caused by the thousands and thousands of cars and trucks daily coming from the States of New York, Pennsylvania, Georgia, Texas, and Kansas, and all of the States of the Union. It is not a local problem in my area, by any means, whatsoever.

The interstate transportation coming in from these outside States is curtailing the production of this industrial area in the Calumet region. There are three major steel mills in the Calumet region. Carnegie Illinois is one of the largest in the world. There are also Inland and Youngstown. The main office of the Portland Cement Co. is located there. Most major oil companies in the Nation have refineries in the Whiting and East Chicago area. There are several chemical plants in the Calumet region. There are 200 or 300 major and smaller industries in the towns and cities of northwest Indiana—250,000 people work daily in the major industries located on the south shores of Lake Michigan. The congestion which occurs at the three different work shifts during 24 hours, is staggering and impedes transportation almost around the clock.

I have seen passenger automobiles and trucks bumper to bumper, coming in and out of these industries at the change of shifts, extending 3 or 4 miles in traffic tieups. It takes some of the workers as long as 2 hours to get from work in these industries to their homes, perhaps 30 or 40 miles away.

Thousands of people who live on the South Side of Chicago work in this area. Tens of thousands more live across the line, in Illinois, and in the south area in adjoining northwest Indiana, commute as far away as 50 or 60 miles.

Many witnesses testified before the committee that transportation in urban localities is a national problem—56 percent of the land in the city limits of Atlanta, Ga., is taken over by streets, highways, parking lots, and garages. Similar or worse conditions exist in other localities.

The multimillion-dollar freeways recently built crossing Chicago north and south and east and west are now overcrowded with car and truck traffic. The time for action and transportation relief is now critical and increasing year by year.

I hope this bill is passed by a large majority.

AMENDMENTS OFFERED BY MR. RAINS

Mr. RAINS. Mr. Chairman, I offer the following amendments.

The Clerk read as follows:

Amendments offered by Mr. RAINS:

Page 14, before the semicolon in line 19, insert ", with the cooperation of mass transportation companies both public and private".

Page 14, before the semicolon in line 22, insert ", with the cooperation of mass transportation companies both public and private".

Mr. RAINS. Mr. Chairman, these two small amendments are a part of the so-called private enterprise amendments which we expect to offer. These are really conforming amendments with the language which will be offered later. I assume there is no opposition to these particular amendments.

The CHAIRMAN. The question is on agreeing to the amendments offered by the gentleman from Alabama [Mr. RAINS].

The amendments were agreed to.

The CHAIRMAN. The Clerk will read.

The Cerk read as follows:

FEDERAL FINANCIAL ASSISTANCE

SEC. 3. (a) In accordance with the provisions of this Act, the Administrator is authorized to make grants or loans (directly, through the purchase of securities or equipment trust certificates, or otherwise) to assist States and local public bodies and agencies thereof in financing the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas and in coordinating such service with highway and other transportation in such areas. Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and other real or personal property needed for an efficient and coordinated mass transportation system. No grant or loan shall be provided under this section unless the Administrator determines that the applicant has or will have (1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment. No such funds shall be used for payment of ordinary governmental or nonproject operating expenses.

(b) No loan shall be made under this section for any project for which a grant is made under this section, except grants made for relocation payments in accordance with section 7(b). Loans under this section shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955. The authority provided in section 203 of such Amendments to obtain funds for loans under clause (2) of section 202(a) of such Amendments shall (except for undisbursed loan commitments) hereafter be exercised by the Administrator (without regard to the proviso in section 202(d) of such Amendments) solely to obtain funds for loans under this section.

AMENDMENT OFFERED BY MR. RAINS

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

The Clerk read as follows:

Amendment offered by Mr. RAINS: Page 16, after line 13, insert the following new subsection:

"(c) No financial assistance shall be provided under this Act to any State or local public body or agency thereof for the purpose, directly or indirectly, of acquiring any interest in, or purchasing any facilities or other property of, a private mass transportation company, or for the purpose of constructing, improving, or reconstructing any facilities or other property acquired (after the date of the enactment of this Act) from any such company, or for the purpose of providing by contract or otherwise for the operation of mass transportation facilities or equipment in competition with, or supplementary to, the service provided by an existing mass transportation company, unless (1) the Administrator finds that such assistance is essential to a program, proposed or under active preparation, for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the urban area, (2) the Administrator finds that such program, to the maximum extent feasible, provides for the participation of private mass transportation companies, (3) just and adequate compensation will be paid to such companies for acquisition of their franchises or property to the extent required by applicable State or local laws, and (4) the Secretary of Labor certifies that such assistance complies with the requirements of section 10(c) of this Act."

PRIVATE ENTERPRISE AMENDMENTS

Mr. RAINS. Mr. Chairman, these amendments to protect private enterprise are very similar to those contained in the mass transit bill, H.R. 4006, which was introduced by the gentleman from New Jersey [Mr. WIDNALL] on February 21, 1963. They have the support of the private transit companies, both rail and bus, and of their employees. I believe their adoption would do much to allay the fears which some of my colleagues on both sides of the aisle have expressed, that this bill might possibly be use to favor publicly owned transportation over private companies.

These amendments have as their primary objective the assurance that not only will privately owned transportation companies receive fair and equitable treatment under the bill, but that Federal funds will be utilized for the conversion of private companies to publicly owned companies in but the rarest circumstances. The administration has argued, and I expect this to be true, that

the overwhelming bulk of the funds provided in this measure will be used, as, for example, they are now used in the city of Philadelphia where the Passenger Service Improvement Corp. utilized the facilities of the Pennsylvania & Reading Railroads and the bus companies as their agent to take care of commuter transportation. I feel that this system is preferable to public ownership. I recognize, of necessity, that in some cases public ownership would be absolutely necessary, but I wish—and I believe I reflect the views of the vast majority of this body—to keep it to a minimum.

Secondly, my amendments would make sure that in those unusual instances where a transportation company must, in order to assure a coordinated transit system, pass from private to public ownership, the private company will receive just and adequate compensation for the loss of their franchise or property.

I hope the chairman of the committee and the members of the committee will see fit to accept these amendments which will achieve a broad base of support of the bill.

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

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

Mr. GILL. Mr. Chairman, I rise in support of the Urban Mass Transportation Act.

Few problems have plagued the city dwellers and workers of our generation like traffic jams, parking problems, and all the noise, waste, and frustration that accompany these evils. The rapid rise in urban growth projected for the next generation can accentuate an incredible situation into one that is completely impossible.

We have no choice but to find some way to move people cheaply, quickly, and comfortably between their homes and places of work. Certainly, more highways are not the answer. One of their main effects is to attract more traffic and create greater problems in the urban areas. At the same time, they eat up tremendous areas of land, displace people and businesses, deface the landscape, and often are obsolete by the time they are finally opened to public use.

In many areas, new forms of transit must be tried, and this bill would help. In other areas, existing transit must be improved and upgraded and this bill would help here, too. In all areas, there is a need to coordinate the highway program with the new effort on mass transit; this bill would provide for cooperation and an exchange of information.

The main city in my State is a case in point to show the need for this bill. Honolulu is one of the most densely populated areas of land in the world. The island of Oahu has over 1,000 persons per square mile. It also has some of the best growing land in the State. As this metropolitan area grows, we are faced with the related and complex problem of encouraging orderly development, without undue damage to agricultural land, and making sure that people can move back and forth between various parts of the community with ease and speed. Already we have too many cars. Our number of cars per mile of highway on Oahu is 182, as compared with the national average of 21, and this is bound to get worse in spite of our highway building program; current estimates show that our present number of cars will double to about 500,000 in 1980.

It seems obvious to me that we must find some new way of moving people. Presently, it is more convenient to drive a car to and from work, in spite of the traffic jams. A good mass transit system must overcome this balance of convenience so that most who drive will want to escape the rush hour ordeal by taking the train or the bus. Realistically, we should not expect the commuter to give up his car; but we may be able to get him to give up that second or even third car, and to leave his family car home for his wife while he commutes to work on the mass transit system.

Realistically, we cannot expect this to happen until we install a complete and efficient transit system. This will require a heavy capital outlay for new equipment and rights-of-way. And it will take a while for the new system to prove itself.

It is argued that present transit systems are inefficient and losing patrons; therefore, we cannot expect improvement with a new system. This ignores the basic dilemma of public transit today. Old equipment and high rate structures lead to fewer customers, which leads to falling revenues, which in turn leads to even higher rates and older equipment. This bill is aimed at breaking this vicious cycle and starting mass transit back on the road to wider use and lower fares.

It is argued that this program is expensive and merely a toe in the door for larger expenditures in the future. This program will cost money, to be sure. And if passed, it will probably be expanded to meet future need. But do not the highways cost money? The present Federal aid highway program totals $41 billion, and about $20 billion will be spent in urban areas. This is a lot of money to spend on a program which, when completed, will not meet the rush hour traffic needs in the cities.

Further, those who argue the expected costs of the mass transit bill, overlook many of the costs and losses which spring from our present situation. It is estimated that we lose about $5 billion a year in this country today because of time and materials lost in traffic jams. What about the ever-increasing costs of highway construction, the loss caused by accidents, the expense to the car owner of gas, tires, and insurance, not to mention frayed nerves? Should not these all be counted as costs against present automotive travel?

It is argued that highways are paid for by the users and that mass transit would be subsidized. What is the current 9 to 1 matching on defense highways if it is not subsidy? Further, many of these highways are not completely financed by gas taxes alone; some areas finance the local share out of general obligation bonds which are paid back by all of the people whether they own a car or not.

It is argued that mass transit is wasteful because in offpeak hours, much equipment will lie idle. This is true to a point, but what about cars and highways? What use does the multimillion dollar defense highway get in the off hours as compared with rush hours? What use does your personal car get while in the garage at night or in the parking lot during the day? There is monumental "waste" here and in the long run, it little matters that part of the waste is absorbed by the individual car owner; it is a charge against him just the same.

Some might argue that this bill will hurt the multitude of people and businesses that are based on the current automotive system of transportation. I do not see how this could be. With our rising population and affluence, the total number of cars in this country is not going to drop. Highways will continue to be built and gas stations operated. It is just that we will attempt to add another tool to our effort to move people efficiently in, out, and through our cities.

Mr. Chairman, this bill is long overdue. If we are ever to make our cities and sprawling suburbs into efficient machines for living and working, we must strike out in new directions and find new ways of moving people. This bill will help.

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

Mr. Chairman, it is my understanding that this committee amendment follows very closely the lines of the amendment and it improves on that which was written into H.R. 11158 in the 87th Congress. That was done in collaboration with the American Municipal Association and various representatives of private enterprise. Also, it is my understanding that this amendment is agreeable to them, having in mind the principle that private enterprise to the fullest extent possible should be permitted to cooperate in this program and that Government ought not to step in and do anything that private enterprise can and is willing to do on its own.

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

Mr. MULTER. Surely.

Mr. RAINS. The gentleman is absolutely correct. I meant to have stated in my remarks that these are practically the same amendments, stated in a little different and more legalistic language, that were in the bill that the gentleman referred to and which were developed in the hearings to which he referred.

Mr. MULTER. I am appreciative of that and I thank the gentleman for offering this amendment. I trust it will have the approval of the Committee.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. OLIVER P. BOLTON. I have not seen the amendment. Do I understand that it would prohibit any transit system, such as the New York Port Authority, from purchasing the assets of the Long Island Railroad, if that railroad were to go into bankruptcy?

Mr. MULTER. It would not prohibit any public authority from doing that. It would prohibit the public authority from using any moneys authorized or appropriated under this bill for the purpose of acquiring a going solvent railroad.

There would be no financial help under this bill for that purpose.

Mr. OLIVER P. BOLTON. In other words, under this provision or amendment, the public authority could not bail out or purchase the equipment, the lines, the property, stations, or anything else with Federal grant or loan moneys, of any transit system that found itself in difficulty and wanted to go out of business; am I correct?

Mr. RAINS. The gentleman is incorrect.

Mr. OLIVER P. BOLTON. I am glad to know that. But I do not understand the amendment, then, and I would appreciate further clarification.

Mr. RAINS. The amendment does not provide that if a mass transit system is going out of business, or is about to go bankrupt, that it should not have some aid. But this amendment would prevent any force on the part of the municipal body to just taking over the authority whether or not private enterprise wanted it done.

Mr. OLIVER P. BOLTON. In other words, it is not required?

Mr. RAINS. They can sell it. You would not want to tie up private enterprise to the point where they could not sell it. This does not do that.

Mr. OLIVER P. BOLTON. But it prevents Federal moneys being used to purchase a private enterprise system?

Mr. RAINS. Not at all. It does not force them to do it but it does not prevent them from doing it.

Mr. OLIVER P. BOLTON. I just do not understand the amendment.

Mr. MULTER. Mr. Chairman, am I not correct that this, however, would not permit the public authority to condemn a private enterprise, such as a mass transportation system?

Mr. RAINS. The gentleman is correct.

Mr. MULTER. It could not force them out of business merely because the public authority wanted to take over the project?

Mr. RAINS. The gentleman is correct.

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

Mr. MULTER. I yield.

Mr. BROCK. Is it not true that the amendment does suggest that as its intent, but it gives the Administrator authority to approve such a purchase?

Mr. MULTER. I do not think that the language of the amendment would go as far as the gentleman suggests. I think the legislative history being made here now would eliminate any doubt that might be aroused by a cursory or hasty reading of the language. I think the language means exactly as explained by the gentleman from Alabama and myself.

Mr. BROCK. In other words, the intent is to put in the exception in the case of bankruptcy; or is that so that the Administrator would have the authority?

Mr. MULTER. It only emphasizes the point that I made that if private enterprise cannot or will not run the mass transportation system and it were still needed, then the governmental authority could step in and do it, but not otherwise.

Mr. BROCK. The burden of proof then is upon the Administrator.

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

Mr. MULTER. I yield to the gentleman.

Mr. McDOWELL. Mr. Chairman, I am in support of the bill H.R. 3881, the Mass Transportation Act, and also in support of the amendments now under discussion known as the Rains amendments concerning private enterprise in the bill.

Mr. Chairman, H.R. 3881 would authorize the Housing and Home Finance Administrator to make grants and loans to States and local governmental bodies to provide additional financial assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas. The bill is a direct result of recommendations made by former President Kennedy in his transportation message to Congress, April 5, 1962. It is similar to S. 6, which passed the Senate on April 4, 1963. The Senate bill, however, contains a number of additional provisions which are not contained in H.R. 3881.

The railroad industry supports H.R. 3881 as an implementation of an important part of the transportation program recommended by former President Kennedy. The industry favors all of those recommendations as constituting a forward-looking and comprehensive program of legislation for the correction of many of the problems contributing to the continuing deterioration of this country's transportation system.

All railroads are not directly confronted with the urban mass transportation problem but because of the physically integrated service provided by railroads and their closely knit relationship to each other, the detrimental effects now accruing from problems in urban mass transportation spill over to the detriment of all rail carriers.

H.R. 3881 recognizes that primary responsibility for urban mass transportation should not fall upon the railroads but instead is a general public responsibility and a responsibility particularly of the States and communities most directly affected. An orderly approach to the problems of urban mass transportation must include extensive coordination and programing. The failure to have such coordination and programing has led to extensive public expenditures for urban area highways which are incapable of handling daily peak traffic flows. The net result is an even greater hardship for competing rail mass transportation media which, without public assistance, are called upon to maintain the service necessary to meet the peak traffic flows. H.R. 3881 would provide for the necessary planning and coordination to meet the growing needs of the urban areas.

H.R. 3881 would not grant subsidies to railroad companies. Recognizing the public nature of the problem the grants or loans which would be authorized, would be made directly to States and local governments or their authorized agencies to be used subject to their control. The procedure adopted by H.R. 3881 of making direct grants or loans only to States and local public bodies and agencies thereof is sound so long as those bodies are authorized—as they would be—to utilize such funds to assist private transportation companies where appropriate. Proper and coordinated use of existing suburban rail facilities should be a major factor in providing a solution to the urban mass transportation dilemma.

The $500 million authorization for grants and loans to States and local governments or their authorized agencies contained in H.R. 3881 would be of great advantage in providing the public a satisfactory mass transportation service which has otherwise proven to be impossible. Some of the purposes for which the Federal financial assistance might be used by the local authorities could be the reconstruction and preservation of existing facilities, purchasing new equipment, constructing parking facilities in suburban stations, modernizing certain stations, and providing some grade separations.

In short, the provisions of H.R. 3881 may well offer answers to one of the basic transportation problems of this era and should be enacted together with the other forward-looking proposals contained in former President Kennedy's transportation message.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield further?

Mr. MULTER. I yield

Mr. OLIVER P. BOLTON. I have just had the opportunity of seeing the amendment. As I understand the exceptions this would put the responsibility of decision upon the Administrator. He is fully within his judgment as to whether or not the assistance is essential to the program or to the network to be purchased?

Mr. MULTER. That is correct. But the judgment must be based on facts and evidence and not be arbitrary or capricious.

Mr. OLIVER P. BOLTON. Then, basically, this really does not change the language of the bill at all, the intent of the bill; is not that correct?

Mr. MULTER. If the gentleman means the intent is as expressed by the gentleman from Alabama [Mr. RAINS] and myself who understand that to be the intent, then I go along with the gentleman and say this does not change the intent of the bill.

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

Mr. OLIVER P. BOLTON. Mr. Chairman, I move to strike the requisite number of words.

If the gentleman from New York would give me his attention, the first part of the amendment takes some time in describing when no financial assistance can be used and then states under No. 1:

> That the Administrator finds that such assistance is essential to the program for unified or efficiently coordinated urban transportation system.

I gather that under this amendment if it is so decided by the Administrator in the complete and full breadth of his judgment, without limitation, that the

situation is just as it was before this amendment was offered?

Mr. MULTER. If the gentleman will yield, I cannot go as far as the gentleman does in his language when he says:

The full breadth of his discretion and judgment and without limitation.

I would certainly have in mind that no Administrator is going to be permitted to act arbitrarily or capriciously. He must act with discretion and with good judgment and not just walk in and say, "Look, I say this is essential and, therefore, I am going to take over this private enterprise." There must be reason behind his discretion and judgment.

Mr. OLIVER P. BOLTON. I appreciate the gentleman's thoughtful consideration, but under this amendment and under the language of this amendment the burden is put solely upon the decision of the Administrator; is that correct?

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

Mr. OLIVER P. BOLTON. Yes, I yield to the gentleman from Alabama.

Mr. RAINS. Of course, the gentleman makes a mountain out of a molehill. That is true in every single thing we write. It is in the discretion of the Secretary of the Army about what is to be done with so and so, it is in the discretion of the Secretary of the Department of Labor, and is in the discretion of the Secretary of the Department of Agriculture. One would not want to write any type of bill which denied discretion to be placed in the hands of someone. You have to put the discretion, based upon the facts and the evidence, and the assumption that he is going to be fair and just. It has to be done that way. I agree with the gentleman that that is correct.

Mr. OLIVER P. BOLTON. I appreciate the fact that the gentleman does agree, because once that decision is made by the Administrator, there is very little difference caused by this amendment.

Mr. RAINS. If the gentleman will yield further, I think this amendment—I do not want to say at all that it ties his hands—gives the Administrator a great deal more direction in the private enterprise way than the bill as originally drawn. I am convinced that it does that. It gives him more direction than the other bill.

Mr. OLIVER P. BOLTON. I appreciate the gentleman from Alabama and the gentleman from New York clearing up my questions.

Mr. HARVEY of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as far as I can see the only similarity between this amendment and the free enterprise system is the catchy slogan which has been used by gentleman from Alabama [Mr. RAINS] and which he has attached to this amendment.

Mr. Chairman, I believe the most you could say for it is that it pays lip service to free enterprise in this country.

Mr. Chairman, I would like to quote for 1 minute the testimony of Mr. Bernard E. Calkins who operates the Rapid Transit System in Houston, Tex., and Wichita, Kans., when he was asked a question in hearings on this program. Here is the question:

Now, if the private companies will be required to apply for grants through governmental agencies, do you see a danger that that may be a lever to drive private enterprise out of existence and convert these mass transit systems into governmentally operated systems?

Mr. Calkins answered as follows:

Yes; I do. In fact, I stated in my testimony that I thought it would hasten the day when private enterprise would go out of business through the pressure of the city-owned advocates.

Then he goes on to say as follows:

If I have to go through the cities, the city body, to either get a loan or a grant, if that should be the case, I can foresee that there will be a clamor on the part of the local administration to say "We are not going to get this money so you can make money. If we are going to get this money, we are going to go into the business ourselves. I think that is an inevitable conclusion."

Mr. Chairman, I cannot see how this amendment changes that one bit. The exceptions this amendment sets up are artificial exceptions, as I see it. They provide that the Administrator has to find it is an essential program. I assume it is essential. Then the Administrator has to find that the program to the maximum extent feasible provides for mass transportation. I think that is paying lipservice to free enterprise. The most you can say for the amendment is it is an additional exception, but beyond that as far as I can see that is all there is to it.

Under these circumstances, Mr. Chairman, I simply cannot support the amendment.

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

The amendment was agreed to.

The Clerk read as follows:

LONG-RANGE PROGRAM

SEC. 4.(a) Except as specified in section 5, no Federal financial assistance shall be provided pursuant to section 3 unless the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area. The Administrator, on the basis of engineering studies, studies of economic feasibility, and data showing the nature and extent of expected utilization of the facilities and equipment, shall estimate what portion of the cost of a project to be assisted under section 3 cannot be reasonably financed from revenues—which portion shall hereinafter be called "net project cost". The Federal grant for such a project shall not exceed two-thirds of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

(b) To finance grants under this Act there is hereby authorized to be appropriated at any time after its enactment not to exceed $100,000,000 for fiscal years 1963 and 1964; $200,000,000 for fiscal year 1965; and $200,000,000 for fiscal year 1966. Any amount so appropriated shall remain available until expended; and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant made pursuant to this Act.

Mr. DOWNING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to ask the gentleman from Alabama [Mr. RAINS] a question. As I understand the bill, section 3 authorizes grants and loans to carry out the purposes of the act. Then on page 23 of the bill, in section (d) the words are:

There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the funds necessary to carry out all functions under this Act except loans under section 3. All funds appropriated under this Act for other than administrative expenses shall remain available until expended.

Section 4 of the bill authorizes $500 million to be appropriated for grants. What are we talking about in section (d) on page 23 when we say there are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the funds necessary to carry out the functions of the act?

Mr. RAINS. That is the usual language. That provides for administrative expenses of carrying out the act. That is the usual statement you run into in every one of these acts. It is up to the Appropriations Committee as to what they will put in. It has to come up in a budget request, for the Appropriations Committee to pass upon.

Mr. DOWNING. Those words would not include money for loans?

Mr. RAINS. It would not.

Mr. DOWNING. Now, on page 16, there is wording which sets forth how these loans are to be made under the old Housing Act of 1955.

I wonder if the gentleman will explain to me just how that is to be accomplished.

Mr. RAINS. The gentleman will recall that in 1961 this issue was up at the time we had the housing bill under consideration. It was $50 million that was written into the 1961 housing bill. Only a part of that has been expended.

Mr. DOWNING. How much money is in that?

Mr. RAINS. About $47 million is remaining. What that does, that particular money plays no part in the amount of this specific bill. That is already over and gone, because we authorized that money in 1961.

Mr. DOWNING. I wonder if the gentleman will tell me how much it is expected the Government will guarantee in loans during the first year of the bill.

Mr. RAINS. There are no loan guarantees in this bill at all. The only thing

in this bill, as I said in the general debate, and as I will say to the gentleman from Virginia now, is the grant authority, and I expect to offer an amendment to cut the $500 million to $375 million. It is expected, I might say—this is from the administration—that only about $10 million will be expended this year because of the long-term contract lead time that is necessary.

Mr. DOWNING. I thank the gentleman.

AMENDMENT OFFERED BY MR. RAINS

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

The Clerk read as follows:

Amendment offered by Mr. RAINS: Page 16, after the period in line 23, insert the following new sentence: "Such program shall encourage to the maximum extent feasible the participation of private enterprise."

Mr. RAINS. Mr. Chairman, that is a continuation of the private enterprise amendment, which is the very same language. It fits into this particular section. I see no objection to it, Mr. Chairman.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

AMENDMENT OFFERED BY MR. RAINS

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

The Clerk read as follows:

Amendment offered by Mr. RAINS:

Page 17, lines 19 and 20, strike out "$100,000,000 for fiscal years 1963 and 1964" and insert "$75,000,000, for fiscal year 1965".

Page 17, line 20, strike out "$200,000,000 for fiscal year 1965" and insert "$150,000,000 for fiscal year 1966".

Page 17, lines 20 and 21, strike out "$200,000,000 for fiscal year 1966" and insert "$150,000,000 for fiscal year 1967".

Mr. RAINS. Mr. Chairman, this is the amendment which I mentioned in the general debate. It would provide $75 million in authorization for the first year and $150 million for each of the second and third years, for a total of $375 million.

The bill as reported by the committee would authorize $100 million for the first year and $200 million in each of the second and third years, for a total of $500 million.

I am frank to say that I offered this amendment because in my judgment it will help the bill.

Most important, also, it would conform to the amounts of grants authorized in the Senate-passed bill and would considerably reduce the area of disagreement between the two Houses.

I believe the administration will not oppose the reduction in the total cost of the bill even though there is $500 million in the budget for 2 years, particularly since the administration budget request for 1965 is for $75 million.

Mr. Chairman, I urge the adoption of this amendment.

Mr. HARVEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. HARVEY of Michigan. Mr. Chairman, I have no objection to this amendment, but I have considerable difficulty in understanding why it is offered in the light of the supposed tremendous demand that I have heard expressed here in the last day and one-half with regard to this bill. I certainly would want to call to the attention of the Members of the House that what this bill does under the 12½ percent provision is reduce the actual amount that any particular State could get.

Mr. RAINS. The gentleman is not opposing reducing the amount here; is he?

Mr. HARVEY of Michigan. No; I am not. But I am calling to the attention of the Members that this represents a reduction of $62½ million down to $46 million, as near as I can figure it.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. OLIVER P. BOLTON. The gentleman would agree that under this $46 million limitation per State, this will mean that each transit plan that is now ready to go is going to be further delayed because there will not be enough Federal money.

Mr. RAINS. No, I do not agree with that. The assumption is that it would take the full amount of $46 million. I do not agree with the gentleman's statement or interpretation of this in the way that he put it. I would agree that the total amount of money will be reduced percentagewise in the ratio of what $125 million is to $500 million.

Mr. OLIVER P. BOLTON. The gentleman would also agree that if there is not sufficient money to meet the demand that is stated to exist within a State that, therefore, because the amount of money has been reduced, those States that are planning are going to have to go further and further back in line of priority and, therefore, their plans will be put off further and further.

Mr. RAINS. Is the gentleman proposing that we increase the bill? Does the gentleman want to vote for an increase?

Mr. OLIVER P. BOLTON. I am going to vote against the bill as the gentleman well knows. But if plans are going to be made, let us put enough money in at least to start a real job getting done.

Mr. RAINS. I will be glad to vote for the gentleman's amendment if he will vote for the bill, if he wants to increase this amount. Of course, that is my personal statement.

Mr. OLIVER P. BOLTON. I think I have made my position quite clear on the bill.

Mr. RAINS. Would the gentleman make himself clear on whether or not he favors a reduction in the amount?

Mr. OLIVER P. BOLTON. I believe the gentleman knows that one of the reasons why I am opposed to the bill is that actually it is my belief, as has happened in so many Federal aid programs, that by the Federal Government intervening in this field, it will actually slow down and not speed up the solution of the mass transit problems in those areas where they are acute and where they really have financial ability.

Mr. RAINS. Of course, that is a rather philosophical discussion and not a clear statement as to whether the gentleman wants to cut the money or not.

Mr. Chairman, I ask for a vote to reduce the $500 million to $375 million.

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

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EMERGENCY PROGRAM

SEC. 5. Prior to July 1, 1966, Federal financial assistance may be provided pursuant to section 3 where (1) the program for the development of a unified or officially coordinated urban transportation system, referred to in section 4(a), is under active preparation although not yet completed, (2) the facilities and equipment for which the assistance is sought can reasonably be expected to be required for such a system, and (3) there is an urgent need for their preservation or provision. The Federal grant for such a project shall not exceed one-half of the net project cost: *Provided*, That where a Federal grant is made on such a one-half basis, and the planning requirements specified in section 4(a) are fully met within a three-year period after the execution of the grant agreement, an additional grant may then be made to the applicant equal to one-sixth of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

AMENDMENT OFFERED BY MR. RAINS

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

The Clerk read as follows:

Amendment offered by Mr. RAINS: On page 18, line 5, strike out "1966" and insert "1967".

Mr. RAINS. Mr. Chairman, I assume there is no objection to the amendment. It merely changes the date.

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

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS

SEC. 6. (a) The Administrator is authorized to undertake research, development, and demonstration projects in all phases of urban mass transportation (including the development, testing, and demonstration of new facilities, equipment, techniques, and methods) which he determines will assist in the reduction of urban transportation needs, the improvement of mass transportation service, or the contribution of such service toward meeting total urban transportation needs at minimum cost. He may undertake such projects independently or by contract (including working agreements with other Federal departments and agencies). In carrying out the provisions of this section, the Administrator is authorized to request and receive such information or data as he deems appropriate from public or private sources.

(b) The Administrator may make available to finance projects under this section not to exceed $10,000,000 of the mass transportation grant authorization provided in section 4(b), which limit shall be increased to $20,000,000 on July 1, 1964, and to $30,000,000 on July 1, 1965. In addition, notwithstanding the provisions of section 4 of this Act or of section 103(b) of the Housing Act of 1949, the unobligated balance of the amount available for mass transportation demonstration grants pursuant to the proviso

in such section 103(b) shall be available solely for financing projects under this section.

(c) Nothing contained in this section shall limit any authority of the Administrator under section 602 of the Housing Act of 1956 or any other provision of law.

AMENDMENT OFFERED BY MR. RAINS

Mr. RAINS. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS: On page 19, line 22, strike out "1964" and "1965" and insert "1965" and "1966", respectively.

Mr. RAINS. Mr. Chairman, I assume there is no objection to the amendment.

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

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RELOCATION REQUIREMENTS AND PAYMENTS

SEC. 7. (a) No financial assistance shall be extended to any project under section 3 unless the Administrator determines that an adequate relocation program is being carried on for families displaced by the project and that there are being or will be provided (in the same area or in other areas generally not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the displaced families) an equal number of decent, safe, and sanitary dwellings available to those displaced families and reasonably accessible to their places of employment.

(b) Notwithstanding any other provision of this Act, financial assistance extended to any project under section 3 may include grants for relocation payments, as herein defined. Such grants may be in addition to other financial assistance for the project under section 3, and no part of the amount of such relocation payments shall be required to be contributed as a local grant. The term "relocation payments" means payments by the applicant to individuals, families, business concerns, and nonprofit organizations for their reasonable and necessary moving expenses and any actual direct losses of property, except goodwill or profit, for which reimbursement or compensation is not otherwise made, resulting from their displacement by the project. Such payments shall be made subject to such rules and regulations as may be prescribed by the Administrator, and shall not exceed $200 in the case of an individual or family, or $3,000 (or if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization. Such rules and regulations may include provisions authorizing payment to individuals and families of fixed amounts (not to exceed $200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

COORDINATION OF FEDERAL ASSISTANCE FOR HIGHWAYS AND FOR MASS TRANSPORTATION FACILITIES

SEC. 8. In order to assure coordination of highway and railway and other mass transportation planning and development programs in urban areas, particularly with respect to the provision of mass transportation facilities in connection with federally assisted highways, the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and shall exchange information on proposed projects in urban areas.

Mr. GILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time merely to ask the gentleman from Alabama a question.

It has been my understanding that problems have arisen in some of the localities over plans for overall transportation systems, between those who wish to coordinate all forms of mass transportation and those who are primarily responsible for planning highway uses. If the gentleman from Alabama could inform me, I wonder whether it is the intention of this section to insure that those who deal with highway planning and those who deal with overall planning of transportation in any given locality will work closely together so that there may be a minimum of disruption through rights-of-way acquisitions and alinements of corridors of travel and a maximum of coordination of all forms of transportation to the end that they may develop the most efficient combined system of transportation for the area?

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

Mr. GILL. I yield to the gentleman from Alabama.

Mr. RAINS. I will say to the gentleman that, as shown in section 8 on page 21 of the bill, while there is no directive—and the committee would have no authority to write in law affecting a highway system—the language encourages the very type of cooperation about which the gentleman inquires. It would be the committee's hope, and I am sure that of the Congress, that there would be coordinated planning. There is nothing specific in the bill to direct the Public Roads Administration or anyone else to do any specific thing in that regard. I feel certain the gentleman understands that the committee would have no jurisdiction in that particular instance.

The solution to the question raised by the gentleman, as suggested by the question, would be encouraged under the terms of the bill.

Mr. GILL. I thank the gentleman.

Mr. OLIVER P. BOLTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time at this point in the bill to discuss a motion to recommit which I hope to introduce if I have the opportunity.

Let me say first that the motion to recommit is directed to the engineering studies which are now being conducted in the field of urban transportation and will suggest that the bill be referred back to the Committee on Banking and Currency until these engineering studies are in and can be thoroughly digested.

Mr. Chairman, the meaning of the instructions included in this motion to recommit can be explained in a few words.

Regardless of the fact that the bill before us for political reasons applies to every community of 2,500 population or more, we all know that mass transit is a problem affecting primarily larger cities. In this regard, section 9 of the Federal-Aid Highway Act of 1962 set in motion the largest, most detailed, most expensive Federal study of a single problem in our Nation's history. In effect, through 1 and 1½ percent highway trust fund research money and section 701 money from the Housing Act, well over $100 million, has been expended in the last 3 years alone by the 219 cities of 50,000 population or more in the development of a continuing, comprehensive planning process embracing all modes of urban mass transportation. All but 70 of the 219 cities already have submitted to the Department of Commerce their urban transit plans and the law states that all have to be in good order by July 1, 1965, 1 year from now, or face the possibility of being cut off from Federal-aid highway funds. I am advised that by July 1 of next year, over $150 million of Federal funds will have been expended by these cities for these plans.

Because this planning process is a recent development, neither the Senate nor the House Banking and Currency Committees in considering the mass transit bill, had an opportunity to evaluate these plans and of the thousands of pages of Senate and House testimony hardly a dozen pages referred to any of these plans. Secondly, this recommittal would permit the House to first consider the results of the mass transportation demonstration and and research projects authorized under section 303 of the Housing Act. Again, only a few of these projects were well enough along the way to permit congressional evaluation. And incidentally, since then two of them have stopped. Mr. Chairman, before the Congress embarked upon the $40 billion Federal-Aid Highway Act, no less than 20 years were spent in processing extensive engineering plans. There is no doubt in my mind that this long range planning process prior to 1956 was the chief reason for the tremendous success of our highway program.

With approval of this motion to recommit, Congress would have the opportunity to better evaluate what everyone acknowledges to be a multibillion-dollar problem. With these instructions we are not saying it is a Federal responsibility, nor are we saying it is not a Federal responsibility. What we are saying is that we should take a long, hard look at the vastly diversified plans submitted by these 219 cities and then make a determination based upon knowledge, not political expediency; based upon engineering facts, not oratory.

Let me say, Mr. Chairman, that there will be those who would say that so to delay this will hold up the solution of a crisis. I would point out to this House that this bill, considered and passed by the Committee on Banking and Currency, has been lying around for many, many months. The suggestion that I have would take no more time than has been taken by the delay in its consideration here on the floor of the House.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

GENERAL PROVISIONS

SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsections (c)(2) and (f), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the

performance of his functions under this Act shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

(b) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act, entered into by applicants under other than competitive bidding procedures as defined by the Administrator, shall provide that the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the contracting parties that are pertinent to the operations or activities under such contracts.

(c) As used in this Act—

(1) the term "States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States;

(2) the term "local public bodies" includes municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State;

(3) the term "Administrator" means the Housing and Home Finance Administrator;

(4) the term "urban area" means any area that includes a municipality or other built-up place which is appropriate, in the judgment of the Administrator, for a public transportation system to serve commuters or others in the locality taking into consideration the local patterns and trends of urban growth; and

(5) the term "mass transportation" means transportation by bus or rail or other conveyance, either publicly or privately owned, serving the general public (but not including school buses or charter or sightseeing service) and moving over prescribed routes.

(d) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the funds necessary to carry out all functions under this Act except loans under section 3. All funds appropriated under this Act for other than administrative expenses shall remain available until expended.

AMENDMENT OFFERED BY MR. TAFT

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

The Clerk read as follows:

Amendment offered by Mr. TAFT: Page 24, after line 3, insert the following new subsection:

"(e) The Administrator shall not regulate in any manner the rates, fares, tolls, rentals, or other charges fixed or prescribed by any local public or private transit agency."

Mr. TAFT. Mr. Chairman, yesterday on the floor, and as reported in the CONGRESSIONAL RECORD published this morning, there was a colloquy between the gentleman from Alabama and myself relating to the powers of the Administrator. At that time I believe it was made clear that it was not the intention of the committee nor the intention of the gentleman from Alabama that the HHFA Administrator should be given the right to regulate in any manner the rates, fares, tolls, rentals, or other charges fixed or prescribed by the local public or private transit agency for its operation, even though that transit agency might have received assistance by way of a grant or by way of a loan under the act.

I have eliminated from the provision, as was discussed yesterday, the right of the Administrator, or any prohibition upon the right of the Administrator to regulate the mode of operation, since this might have been somewhat unclear and perhaps limited unduly the conditions which might be imposed upon the granting of aid so far as the efficiency and other steps intended to improve the operation were concerned.

I do think it certainly should be the intention of this House to make it abundantly clear that under no circumstances shall the power to be given the Administrator under this bill be a rate-regulating power. We do not intend to take away from the State or local agency which has the rate-making power, that power. We do not intend in the case of any transit agency, be it public or private, to prevent it from setting its own rates. Nor do we intend as, for instance, in the case of my own city of Cincinnati, to prevent them from operating under the cost type of franchise, which would relate cost to rates.

Therefore, I think the adoption of this amendment would be helpful as a clarification of the provisions of the bill.

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

Mr. TAFT. I yield.

Mr. MULTER. Mr. Chairman, the question I desire to address to the gentleman from Ohio is this. If the amendment prevails will this perfect the bill to the extent that he can vote for it?

Mr. TAFT. As the gentleman well knows it would not perfect it to the extent that I could vote for the bill, as indicated by the minority views. The question of fiscal responsibility would make it difficult to support a vote for the bill on my part. I think there are many other provisions of the bill that are wholly unsatisfactory. I disagree with the basic concept of the bill.

The gentleman from Alabama [Mr. RAINS] yesterday indicated that under the labor amendment discussion that I was making a lefthanded attack upon the bill. I want to assure the gentleman that I am not going to restrict myself to my left hand. I will use my right hand and my left hand and anything else I can get.

Mr. MULTER. If the gentleman will yield further, without impugning the motives of the gentleman, I am always suspicious of an amendment which is offered by one who is opposed to the bill.

Mr. TAFT. I would hope that the gentleman from New York would give me the confidence to recognize that perhaps it might be a good idea to correct proposed bills and legislation if there is a chance that they are going to pass, even though one is not going to vote for the bill.

Mr. MULTER. If the gentleman will yield further, I do not suspect the gentleman's motives. I merely suspect the merits of the amendment.

Mr. TAFT. I cannot agree with the gentleman. If the gentleman desires to comment on the merits of the amendment, I am sure the members of the committee will be glad to hear his comments.

SUBSTITUTE AMENDMENT OFFERED BY MR. RAINS

Mr. RAINS. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. RAINS to the amendment offered by Mr. TAFT: Page 24, after line 3, insert the following new subsection:

"(e) None of the provisions of this Act shall be construed to authorize the Administrator to regulate in any manner the mode of operation of any mass transportation system with respect to which a grant is made under section 3 or, after such grant is made, to regulate the rates, fares, tolls, rentals, or other charges fixed or prescribed for such system by any local public or private transit agency; but nothing in this subsection shall prevent the Administrator from taking such actions as may be necessary to require compliance by the agency or agencies involved with any undertakings furnished by such agency or agencies in connection with the application for the grant."

Mr. RAINS. Mr. Chairman, as is evident from the substitute which I have offered, I agree with the general objectives of the gentleman from Ohio. The gentleman from Ohio knows very well that the reason he does not want to support the substitute amendment is because his amendment would tie the hands of the Administrator and keep the grants from being made. In other words, if you are going to say to the Administrator, "Here you have Federal money with which to make the grant, but you will have nothing to say before you turn the money loose. Now, you have to turn it loose whether you want to or not, without having even an inquiry as to what the rates or fares are going to be."

Mr. Chairman, my substitute amendment merely says that once the grant is made he shall not be able to run it. But, certainly, we would not want to require him to have nothing to do with what the tolls and rates are going to be before he turns loose the money.

So, let us just lay it out plainly on the table. The only purpose of that particular one or two words' difference between the amendment and the substitute is this: One is meant not to let it happen; the other is meant to see to it that once the grant is made the Administrator does not run their business. That is exactly what it means.

Certainly, the Administrator has to know what the fares are, and if they are not justifiable, he needs to know whether or not they will be brought into line. One would not expect him to make the grant blindly. Therefore, it might sound like a small difference, but it is most significant.

I hope the substitute amendment will carry, Mr. Chairman.

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

Mr. Chairman, it is true that there is only a slight difference in the wording of this amendment and the one proposed by me. However, this slight difference is so considerable that it completely negates the meaning of the amendment as I offered it. The wording that is added by the substitute amendment would make considerable change because I think it will show the members of the Committee very clearly that it takes away any meaning, any prohibition against or any

limitation, in effect, upon the right of the Administrator to regulate rates and make more and more clear the evident intention of those who drafted this bill and the amendment to give the Administrator the right under circumstances of his choosing to regulate the rates, which indeed he can, but not the conditions of the original grant or loan involved.

I might say that the substitute amendment does not apply to loans at all. There is no limitation on ratemaking power. I believe there is an implication in the substitute that under the loan provision of the bill there is a right to regulate rates.

Let me read you this language. It says:

> But nothing in this subsection shall prevent the Administrator from taking such actions as may be necessary to require compliance by the agency or agencies involved with any undertakings furnished by such agency or agencies in connection with the application for the grant.

In other words, the only thing the Administrator has to require is that in the application there be a grant to him of the right to regulate fares and rates in any way he desires to do so. That is the true meaning of the substitute as compared with the amendment I have offered. I urge defeat of the substitute.

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

Mr. Chairman, I seek a little information concerning this bill. Do I understand this bill provides that facilities can be built through the use of these funds for stations, which would house restaurants, barbershops, and that sort of thing, or any other structure that might house restaurants and barbershops?

Mr. RAINS. The gentleman is talking about barbershops that may be located in railroad stations.

Mr. GROSS. It is strictly limited to stations?

Mr. RAINS. Absolutely.

Mr. GROSS. Nothing else?

Mr. RAINS. Nothing else.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Alabama [Mr. RAINS], for the amendment offered by the gentleman from Ohio [Mr. TAFT].

Mr. TAFT. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. TAFT.

The Committee divided, and the tellers reported that there were—ayes 122, noes 90.

So the substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TAFT] as amended by the substitute.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SAYLOR

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

The Clerk read as follows:

> Amendment offered by Mr. SAYLOR: On page 22, after line 24, insert:
>
> "(c) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act shall provide that in the performance of the work the contractor shall use only such manufactured articles as have been manufactured in the United States."
>
> And redesignate the succeeding subsections accordingly.

Mr. SAYLOR. Mr. Chairman, the amendment I have offered has the effect of meaning that this bill will actually be of some benefit not only to this country as far as mass transportation is concerned but it will also be a means of seeing to it that the moneys which will be expended by the Administrator will be spent for the benefit of people in this country. Unfortunately, from time to time we have seen other good bills with high intentions passed and then found the money was all spent in foreign countries.

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

Mr. SAYLOR. I yield to the gentleman from Alabama.

Mr. RAINS. As I understand the gentleman's amendment, it would require not only that any manufactured product, such as say a locomotive, be manufactured in the United States but that substantially all its manufactured component parts likewise be produced in the United States. Is that correct?

It would be aimed at providing jobs as well as providing business to be done in this country; is that correct?

Mr. SAYLOR. That is correct. That is the purpose of the amendment.

Mr. RAINS. Mr. Chairman, so far as I speak, I think, for members of the committee on the majority side, I see no objection to the amendment and I am willing to accept it.

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

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

Mr. GROSS. This includes steel and all other structural materials?

Mr. SAYLOR. It includes steel and all other structural materials.

Mr. Chairman, before reaching a decision on this issue, I would suggest that Members of the House pause to calculate a bit on whether the bill before us might be used not only to stimulate the development of rapid transit systems but also as a means of effecting a rapid transition into better times for some of America's neglected industries and workers. Over the years I have heard many of my colleagues extol the potential of various legislative proposals calling for the expenditure of U.S. taxpayer funds, only to find that in the final analysis a considerable part of appropriations slither out of this country into the hands of foreign companies and businessmen.

H.R. 3881 as now amended calls for authorization of projects requiring an outlay of $375 million, a large part of which will necessarily have to be spent for purchases of materials and equipment to be used in the rapid transit program. An expenditure of this size can jack up the business of manufacturers of rolling stock to be used on rails and highways and energized by either oil or electricity. It can open markets for producers and suppliers of building equipment and a miscellany of other commodities. Thus, besides whatever commuting values this bill may offer, it can have the collateral advantage of creating potential demand for commodities in which Pennsylvania manufacturers specialize: railroad cars, buses, electronic control systems, highway materials, glass, steel rails, and a host of other items. This consideration is of particular interest to my State because we have enjoyed little favor in the matter of defense and space contracts, in contrast to Southwestern and Far Western States whose economies are booming through the munificence of the Federal Government.

May I point out, Mr. Chairman, that I referred to potential demand for such products because I know from experience that alien interests will come in and gobble up a good share of the business unless proper safeguards are included in this legislation setting up the rapid transit program. We have suffered through authorizations and expenditures for giant turbines and generators to be used in the construction of Federal hydroelectric facilities, only to find American plants underbid by countries whose wage scales are far below established levels in the United States. We recall last month's shameful experience in which an increase in import quotas was permitted in order that a foreign fuel might displace domestic coal or oil in Federal buildings in the Washington area.

For this reason I have offered this amendment to H.R. 3881 specifying that:

> (c) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act shall provide that in the performance of the work the contractor shall use only such manufactured articles as have been manufactured in the United States.

Without this amendment, there is no guarantee that American industry and labor would reap the benefit that could be available under the multibillion-dollar program that the Urban Mass Transportation Act of 1964 will develop over the long haul. Would it not be ironic, during a period when the administration is amassing an unprecedented array of fiscal equipment to conduct its war on poverty, to disregard a major opportunity for implementation of this attack?

I can assure you, Mr. Chairman, that the people of Pennsylvania would not for one minute enjoy riding into a metropolitan area on a train or bus manufactured abroad in competition with our own industries. Nor would we appreciate the services of an electrified rapid transit system propelled by power generated through foreign residual oil instead of coal from American mines. These are the eventualities Congress must preclude. It is essential that my amendment be adopted, to assure domestic production of all manufactured products as well as their component parts be built by American business with American labor.

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

Mr. SAYLOR. I yield to the gentleman.

Mr. GURNEY. Mr. Chairman, the passage of the Urban Mass Transportation Act (H.R. 3881) would be a tragedy, I do sincerely believe. The problems of moving people in and out and about urban areas is peculiarly a local problem. It is not a matter for Federal intervention.

If this bill is passed by this House, the Federal Government will be injected into a new field where it has never trod before.

Another huge step will be taken in the direction of solving all local problems from Washington. Local initiative and responsibility will be further eroded. Yes, it will cease in this matter of mass transit.

What city will undertake to solve its own transportation problems with Uncle Sam stretching out his palm with a free, fat Federal handout. Another huge bureaucracy will be built up here in Washington with its redtape, slow procedure, and expensive waste.

I do not see how Republicans on my side of the aisle can support this bill, for surely it militates against our basic concept of government and individual initiative—that the Federal Government should enter only into those fields which have a national scope.

The precedent which would be established by the passage of this bill could be used as a wedge to enter into virtually any municipal activity sought to be taken over by the federally minded people—the big government boys.

I do not see how Democrats from areas other than large metropolitan areas can support this bill. For this is nothing less than a big city bill.

It will take tax money from districts all over the Nation and pour it in—one-half billion the first year, billions in succeeding years—to the big metropolitan areas.

I say this bill is a political gimmick designed to shore up the political machines of the big cities. For the House to use taxpayers' money for such a purpose is to do a great disservice to our constituents. It amounts to a failure to live up to our title of Representative, a failure to represent properly.

Why the so-called mass transit problem anyway? Big cities have always had this problem to cope with ever since we changed long ago from a rural to an urban society. If there is an acute problem today, it is largely because of either mismanagement in the past or a failure in the present to face up to the problem, or a combination of both.

What is there so magic in Federal intervention which will resolve this problem? Nothing, except easy money, a Federal handout, and a sluffing off of the problem on to the rest of the Nation.

For a repudiation of the position of the proponents of this bill, I call attention to an article in the U.S. News & World Report of June 22. It describes how Toronto, Canada's second largest city, has recently improved its transit system by construction of a new subway, the first in Canada, at a cost of $67 million. The interesting thing is how it was financed—by a combination of private capital, and city and Province money. No Dominion funds were used.

Of course, here in the United States, we have the fine example of San Francisco resolving its transit problems to the financial tune of nearly a billion dollars.

Let us for once here in the House exercise our independence, rise up and strike down this new scheme of Federal intervention; vote down, and relegate this wholly unnecessary spending program to the scrap heap where it belongs.

Mr. WIDNALL. Mr. Chairman, there is no objection to the amendment on the minority side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

LABOR STANDARDS

SEC. 10. (a) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Administrator shall not approve any such loan or grant without first obtaining adequate assurance that required labor standards will be maintained upon the construction work.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

(c) It shall be a condition of the granting of any assistance under this Act that fair and equitable arrangements are made, as determined by the Administrator after consultation with and the concurrence of the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements; (2) the encouragement of the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) priority of employment or reemployment of employees terminated or laid off; and (5) paid training or retraining programs. In the case of employees of carriers by railroad subject to the provisions of part I of the Interstate Commerce Act, such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5(2)(f) of such Act, and insuring the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.

AMENDMENT OFFERED BY MR. RAINS

Mr. RAINS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS:

Page 24, line 23, strike out "the granting of".

Page 25, strike out lines 1 and 2 and insert in lieu thereof "are made, as determined by the Secretary of Labor,".

Page 25, line 8, immediately before the semicolon, insert "or otherwise".

Page 25, line 8, strike out everything after "(2)".

Page 25, line 11, strike out "priority" and insert in lieu thereof "assurances".

Page 25, line 12, strike out "or" where it first appears and insert in lieu thereof "to employees of acquired mass transportation systems and priority of".

Page 25, line 13, strike out everything after the period, down through and including "such" in line 15, and insert in lieu thereof "Such".

Page 25, line 19, strike out "such Act" and insert in lieu thereof "the Act of February 4, 1887 (24 Stat. 379), as amended".

Page 25, line 19, strike out the comma and all that follows down through "agreements" in line 22.

Mr. RAINS. Mr. Chairman, in the amendment which the committee has already adopted to section 3 of the bill, we make sure that only in unusual instances will a privately owned transportation company be converted to public ownership and that when that happens the private company will receive just and adequate compensation under the laws of the State for the loss of their franchise and/or property.

In other words, the rights of such a private company would be fully protected and the company would be made whole as it should be. Likewise, as a matter of equity, we must make sure that the rights of the people who work for such companies so far as their job rights and job benefits and bargaining rights and so on are concerned would be protected in the event that such a private company was taken over.

Mr. Chairman, the committee bill already provides such protection for some of the workers involved. I want to emphasize this, this is not a departure.

The committee bill already provides such protection for some of the workers involved, such as those on the railroads, but not for others, such as bus drivers. It is hard for me to understand why anybody would want to treat bus drivers in a manner different from railroad workers.

The language in the committee bill, apparently, covers only those workers' rights which have been secured through collective bargaining. There are many instances, such as when a transportation company is not unionized, when many of these same benefits have been granted voluntarily to employees. I do not believe anybody would want to strike those down, in the event some transportation facility was taken over by a public body.

I believe that at least to some extent the language in the committee bill seems to favor certain types of workers as against others, railroads as against bus companies. That is the main reason why the amendment is offered today. Possibly the committee bill favors union workers against those who are not unionized. This was probably an unintentional oversight.

We should make certain that private companies are given a fair deal and are not frozen out by publicly owned companies, so that all employees will be protected alike.

It is hard for me to see how anybody could fight this. Perhaps there will be a way.

What this actually will do is provide that in the event any privately owned mass transportation system—this is already in the committee bill and already in the Interstate Commerce Act—is taken over, the worker will be taken care of. The railroad workers are taken care of. Now we come along to the bus drivers and street car operators.

We worked this out. It was a difficult thing to do, I must confess. We found that certain of the workers, in the rare event a facility would be taken over by a public body, would not have the same rights that railroad workers now have under the Interstate Commerce Act. That is what we seek to do. We seek to give equity, justice and right to all the people who would be involved, who are now workers.

Any attack which is made on that section will have to be an attack leveled at the Interstate Commerce Act affecting railroad workers, because this is basically set on that particular thing, and that has been the law for lo, these many years.

In other words, if we are willing to allow this for railroad workers, as we have, certainly we ought to allow it for others.

Mr. Chairman, I wish to make this crystal clear. I hear all of these slogans. You know, when you have been in politics a long time you find out that the hardest thing to answer is a slogan. You cannot logically argue against a slogan.

I am going to state a plain fact. There is no featherbedding in this bill. I state another plain fact. There is no violation of anybody's right-to-work law in any State of the Union in this bill. I happen to come from a State that has one, and I have taken particular care.

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

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

Mr. GRIFFIN. I should like to ask the gentleman a question, in view of the statement he has just made.

Suppose that a transit company is having difficulty financially and that part of the reason why it is having difficulty is the fact that there are featherbedding practices. Suppose further that a company gets assistance under this act to take over that company.

Is it not true that under this amendment which the gentleman offers it would be impossible, even if the union should agree, to eliminate those featherbedding practices?

Mr. RAINS. There are no featherbedding practices in the bill.

Mr. GRIFFIN. The gentleman is not answering my question.

Mr. RAINS. Just a moment. I am going to answer it.

Mr. GRIFFIN. Suppose a situation exists in which there is a company in which there are featherbedding practices. We certainly know this is true in some instances. It is the very reason why, in some instances, transportation companies are having difficulty.

If that company were taken over by another company with assistance under this act, would it not be the fact that under the amendment those featherbedding practices could not be eliminated as a matter of law?

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

(By unanimous consent (at the request of Mr. GRIFFIN) Mr. RAINS was given permission to proceed for an additional 5 minutes.)

Mr. RAINS. I do not wish to prolong the debate. I will say to the gentleman, since he asked me a question I am going to answer the question.

In the first place, I do not admit, and the record will not show—as was the gentleman's statement—that there are featherbedding practices involved in the bill. That is not correct.

Secondly, I say to the gentleman that he is setting up a straw man, and saying "If so and so happened."

Certainly, if there were featherbedding and if they kept him on, but none of that is provided in this amendment. Under the Manpower Training Act which we enacted in this Congress, we provide for the retraining of these employees not only here but in all other types of things. On the railroads he would be taken care of under the same situation. There is no provision for any type of imaginary featherbedding in this amendment.

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

Mr. RAINS. Yes, I yield.

Mr. GRIFFIN. Under the interstate commerce provisions defining railroads at the present where there is a merger there is a 4-year limitation to the provision that an employee's situation cannot be worsened. Under your amendment to this bill it provides that as a minimum, but the Secretary of Labor can provide a longer period of time. Is that not correct?

Mr. RAINS. The gentleman would not expect us to try to change the situation which now exists in the Interstate Commerce Act, would he?

Mr. GRIFFIN. But the gentleman is going further than that, is he not?

Mr. RAINS. I do not think so.

Mr. GRIFFIN. Yes. He is giving the Secretary of Labor the power to make it a longer period.

Mr. RAINS. I disagree, because he only has the same authority that he has under the Interstate Commerce Act. If you are opposed to that, naturally you would be in opposition to this.

Mr. GRIFFIN. Will the gentleman yield further?

Mr. RAINS. Yes.

Mr. GRIFFIN. I notice that your amendment talks in terms of individual employees but there is no definition of what an employee is under this bill. Under the various labor acts, such as the Taft-Hartley Act and the Railway Labor Act, the definition of an employee is very simple. For example, is the vice president of one of these companies an employee, or what about the general manager or the chairman? Are they employees or not? There is no way of telling in the bill. If they are employees, then their situation cannot be adversely affected, and your amendment is saying you can draw a distinction between management under your amendment.

Mr. RAINS. I must say to the gentleman I recognize the fact that he is a distinguished labor expert on those matters, but if he knows the law—and I know he does—the definition of an employee has been set so many times not only in the Congress but in the courts of this country that it is superfluous to say who is an employee and who is not.

Mr. GRIFFIN. I would remind the gentleman that the word "employee" is defined in a good many different ways under the various acts and it can be very important as to what the definition of "employee" means here.

Mr. RAINS. I point out to the gentleman that in practically every bill on which this Congress acts that has to do with employment and unemployment the basic general definition of "employee" is what takes precedence, of course.

Mr. GRIFFIN. I thank the gentleman for yielding to me.

Mr. RAINS. Thank you.

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

Mr. Chairman, I believe each of the Members of the House received from me a day or so ago a letter outlining my objection to this amendment which I thought would be proposed. First of all I would like to assure you the amendment as proposed is in the exact form of which I delivered a copy of what I thought the amendment would be.

I would just like to point out once more the problems which exist with regard to this amendment that is being proposed at this time. It has not, let me say, been discussed in the committee. It is not the same as the Senate amendment and has not been discussed here on the floor except at this point. You now have a chance to look at it, and the questions which have been asked by my colleague from Michigan and the answers given in reply show once again the unwisdom of taking up a complicated matter of this sort for the first time on the floor.

There are many provisions that I could cover as to what the broad scope of this amendment is, but first of all let me just point out, as it has been pointed out in the questioning, that this does freeze—it freezes featherbedding situations where they presently exist. It also goes beyond that and requires a mandatory continuation of collective bargaining rights, even where public acquisition occurs. This might do one of two things. It would either overrule State and local laws with regard, perhaps, to the right to strike or to collective bargaining or to no collective bargaining in a particular State or a particular municipality or else. This may well be the case. It was opined on the floor of the Senate that this was the case. It eliminates any areas which have such laws on their books from possible participation in this program. As has also been mentioned, the addition of assurances, guarantees of employment of laid off or terminated workers would

mean in effect, so far as I can see, a lifetime job guarantee.

I would like to call attention of the House, also, to another point you will be hearing from in future years if this amendment is adopted. This would overrule in many areas the veterans' preferences which exist. And it would be unfair in many instances to employees, existing public employees in a transit system which went out and acquired a private system. It would give these acquired employees a preferential status over the present municipal employees when this goes into effect, and believe me, I think we are going to hear a great deal from the people about it.

Mr. HARVEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman.

Mr. HARVEY of Michigan. Mr. Chairman, I should like to know if I understood the gentleman correctly. In one of the cities that I represent municipal civil service provisions provide for veterans' preference. Do I understand that this amendment would cut across that veterans' preferential situation?

Mr. TAFT. The gentleman is entirely correct. It would establish in effect a super class of employees entitled to permanent assurance of employment superior to the rights of any presently existing employees of that system.

Mr. HARVEY of Michigan. Including over and above veterans themselves.

Mr. TAFT. Over and above veterans themselves, yes.

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

Mr. TAFT. I yield.

Mr. GRIFFIN. Mr. Chairman, I wonder if the gentleman would agree with me that if this amendment is approved as offered by the gentleman from Alabama [Mr. RAINS], an employment situation could not be worsened even if the union should wish to agree with the company that this would be in the best interest of both the company and the union.

Mr. TAFT. The gentleman is entirely correct. As I interpret the language, I see no reason why the union could agree to any change of the status quo at the time of the acquisition under conditions approved by the Secretary of Labor. Those conditions would be crystalized permanently under the law.

Mr. GRIFFIN. I thank the gentleman.

Mr. TAFT. I thank the gentleman for his contribution.

Mr. GRIFFIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask Members who have copies of the bill before them to turn to page 24 and note carefully what the proposed amendment would do. At the present time, we have labor laws on the statute books which were reported by the Committee on Education and Labor. We have the Railway Labor Act, which is subject to jurisdiction of the Committee on Interstate and Foreign Commerce. We have other labor legislation subject to the jurisdiction of the Committee on Merchant Marine and Fisheries. Now, in section 10(c) of this bill, there is proposed still another labor law reported by the Committee on Banking and Currency.

I urge each Member to look carefully at the language of section 10(c) as it would be amended and consider what would be the effect of this amendment.

The language reads as follows:

It shall be a condition of the granting of any assistance under this Act that fair and equitable arrangements—

What does "fair and equitable" mean?

are made as determined—

And then the gentleman from Alabama strikes out "the Administrator," meaning the HHFA and makes it read:

as determined by the Secretary of Labor—

So that the Secretary of Labor alone will determine finally and conclusively what are "fair and equitable arrangements"—

to protect the interest of employees—

But the word "employees" is not defined in this bill.

Such protective arrangements shall include without being limited to—

In other words, the provisions which follow indicate only the minimum "protective arrangements," and the Secretary of Labor can include anything else.

In other words, the Secretary of Labor will be dictating the very terms of each collective bargaining agreement in every case where assistance is granted under this bill.

How long would such "protective arrangements" continue in effect? What will be the terms of such "arrangements"? Will the Secretary require each employee to belong to a union?

Will he require a check-off provision? What sort of seniority provision will he consider "fair and equitable?"

Under the language in this bill, the Secretary of Labor could apparently write anything into a collective bargaining agreement that he wants as a condition precedent to the granting of aid under this act.

The members of the committee will note one of the provisions which is mandatory is provision No. 3 which appears on page 25:

The protection of individual employees against a worsening of their positions with respect to their employment.

Certainly, in this industry we all know that there are some featherbedding practices; and in some instances, the featherbedding practices are contributing to the financial difficulties of companies in this industry. If assistance is granted under this bill, all employees of the company are frozen into the jobs which they are then performing or, at least, they cannot be adversely affected in any way.

Mr. Chairman, I call the attention of the Members again, to the fact that featherbedding practices would be continued by law under this amendment even though the union might agree to changes that would reduce or eliminate such practices. All of us know that, in many situations, there are responsible union leaders who, from time to time, have agreed to changes in collective bargaining agreements—changes which in some case may adversely affect the membership temporarily. In my own State, in one of the cities I represent, I recall that a union representing the employees of a sizable company agreed to a 5-cent-an-hour reduction in wage rates. This may seem unusual, but in this particular situation the union members and their leaders were satisfied and convinced that this action would be in their best interest over the long run.

Under this bill, no employee can be adversely affected in any way as a matter of law—even though the union might wish to agree. Featherbedding practices would have to continue under the amendment offered by the gentleman from Alabama for at least 4 years, because the amendment incorporates by reference, section 5(2)(f) of the Interstate Commerce Act and makes it applicable. However, notice that the provisions of section 5(2)(f) are a minimum. The "arrangements" required by the Secretary of Labor could require that featherbedding practices be continued for 6 years or 8 years, or longer, presumably.

Mr. Chairman, I have a high regard and great respect for the present Secretary of Labor. However, it should be noted that the Secretary of Labor, by the very nature of his office, is not exactly an impartial member of the Cabinet. He is more or less expected to be a champion for, and an advocate representing, a particular segment of our society. Who will look out after the public interest when the Secretary of Labor imposes what he considers to be "fair and equitable arrangements"?

Notice that the Rains amendment would eliminate the role of the Housing and Home Finance Administrator in determining what arrangements are "fair and equitable." Why?

Mr. Chairman, I urge the members of the committee to vote down the amendment offered by the gentleman from Alabama [Mr. RAINS].

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

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

There was no objection.

Mr. MULTER. Mr. Chairman, it is indeed strange to note that those who are shouting loudest to protect private enterprise and to protect labor are unalterably opposed to this bill. No matter what we do to improve the bill or to improve any amendment to it, they will still oppose this bill.

No one supporting this bill or this amendment resorts to or agrees with the strained interpretations heard here today in opposition to the pending amendment.

I trust that no one, after enactment of this bill, will consider any of the remarks made against this amendment as part of the legislative history to be relied upon in interpreting or enforcing the same.

The amendment means what it says. The gentleman from Alabama [Mr. RAINS] has properly explained and in-

terpreted it. Neither this amendment nor the bill will do any of the dire things contended for by the gentlemen opposing it. It neither continues nor imposes featherbedding nor does it affect veterans' rights. It does not modify, cancel or extend any labor contracts. It writes no new ones.

I urge adoption of the Rains amendment.

Mr. MOORHEAD. 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 Pennsylvania?

There was no objection.

Mr. MOORHEAD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I wonder about those who express concern over the plight of employees in the transit industry and yet announce their opposition to the amendment and to H.R. 3881.

Do they realize that the average number of employees in the transit industry progressively declined from 242,000 in 1945, to 198,000 in 1955, and to only 156,000 in 1960—a loss of 35 percent in the single decade 1950–60?

I am reminded of the concern which the walrus and the carpenter continued to express for the oysters until there were no oysters left.

While comparable figures for employment in railroad commuter services are unavailable, overall railroad employment during the period has declined at an almost identical rate, with a loss of 36 percent. In no small measure, this loss of thousands of jobs is attributable to the abandonment and curtailment of suburban rail commuter services. Viewed in this context, it is clear that the assistance which the bill would provide will help to save the jobs of many workers now engaged in marginal mass transit operations. Equally important is the long-range impact of the bill in generating new jobs through the extension of existing systems and the creation of new systems.

How does the amendment of the gentleman from Alabama express true concern for and give real protection to transit employees?

First the amendments already adopted do so by preserving so far as humanly possible the free enterprise system in mass transportation. This preserves the status quo in collective bargaining arrangements.

But even this was not considered adequate protection for mass transit employees, whether they are employed by free enterprise or by a publicly owned transit system, because the second amendment provides that no financial assistance shall be granted until fair and equitable arrangements are made as determined by the Secretary of Labor to protect the existing employees from a worsening of their job positions or benefits.

Mr. Chairman, the amendments are good for transit employees and the passage of the bill will be good for transit employees.

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

The question was taken and the Chairman announced that the "ayes" appeared to have it.

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

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. TAFT.

The Committee divided, and the tellers reported that there were—ayes 136, noes 115.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. TAFT

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

The Clerk read as follows:

Amendment offered by Mr. TAFT: On page 25, before the period in line 24, insert the following: "; but, notwithstanding any other provision of this subsection, such arrangements may be made only to the extent not inconsistent with State and local law".

Mr. TAFT. Mr. Chairman, the provisions of section 10(c) as they have now been amended and adopted into the bill include provisions which relate to collective bargaining agreements and the right to collective bargaining, and various other factors, unknown, actually, because the words I would call particularly to your attention are those in subparagraph (c), the words "or otherwise", as to the preservation of rights, have been added, and no one knows what the rights might be that would be covered by this "or otherwise".

In this connection the point that should be understood now is that either one of two things is true. It is either true that in many instances the existence of State or local laws is going to prevent certain transit companies, public or private, from being able to receive assistance under this bill, or else, on the other hand, the local or State laws involved which might otherwise block the program and are inconsistent with the provisions of section 10(c) are to be overruled, preempted, if you like, by the Federal law which has been passed.

For that reason, I have offered this amendment as an attempt to make it clear at the end of this section that the very least thing we can do is to make it clear that the present provisions of State and local laws to the extent that they may be inconsistent with the provisions of this section will not be overruled.

I think the principle involved is a very simple one, which I am sure the Members of the House will understand. I would ask your support for this amendment because I think it will clarify it, and avoid the necessity, perhaps, of many lawsuits occurring in the future as to whether local and State laws in conflict with the Federal law prevail.

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

Mr. Chairman, I tried to follow the gentleman as closely as I could but I am sure nobody knows what kind of arrangements he is talking about.

This is an amendment, to use a good Alabama expression, that is just aiming at clobbering what we have just done. Therefore, as I say, I do not know what arrangements he is talking about. We make it clear that with respect to certain arrangements, that I assume he is talking about, State and local laws would prevail. That has been written into the law.

Listen to this language:

Notwithstanding any other provision of this subsection, such arrangements * * *.

If we are going to start legislating on just imaginary arrangements, what kind of legal definition can you make or give of just "arrangements"? I had some inquiry about what an employee was just a little while ago.

I really think the gentleman's amendment is out of order because what he seeks to do is to continue to do just what he lost a moment ago. I do not believe the amendment is in order although I make no point of order against the amendment, but simply say that this House—and I know there are some good lawyers in this House of Representatives and some others who are smarter than lawyers—does not want to start tying the hands of an administrator when it comes to arrangements. I am willing to let it stand on that. The gentleman can talk about arrangements all he wants to. But I know that that does not belong in a legislative bill of any type, if we are going to do a workmanlike job. We would not do that in the Ohio or Alabama State Legislature much less here in the Congress of the United States because the word "arrangements" means nothing.

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

Mr. RAINS. I yield to the gentleman.

Mr. TAFT. The word "arrangements" I would inform the gentleman for his information is contained and stated in the second line of section 10(c) of the bill.

Mr. RAINS. I agree with that.

Mr. TAFT. It was put in the bill, I believe, with the consent and support of the gentleman originally and it is still in the committee substitute amendment that is now being considered.

Mr. RAINS. But if the gentleman will read, he will see that the bill states what those arrangements are in the language that follows on page 25. Here the gentleman just takes a word out of the clear blue yonder and says "arrangements." I assume it has to do with arrangements, but could the gentleman tell us what it would have to do with?

Mr. TAFT. I would call to the gentleman's attention that the adjectives set out in this amendment being appended to the section here clearly refers to the arrangements stated earlier in the law.

Mr. RAINS. The reason the gentleman has done this is that we have just voted down his amendment and what you are attempting to do now is to amend an amendment which you just lost by putting it in in a broad and wholesale way that would have no definition to it whatever.

Mr. OLIVER P. BOLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the gentleman from Alabama, and I see the gentleman is busy, but I would point out to the Committee that on the bottom of page 24, the phrase is now in the bill "fair and equitable arrangements". The

word "arrangements" appears throughout this section. I would furthermore like to ask the gentleman from Alabama and if he is not there, a Member on the majority side, Mr. Chairman, perhaps you can answer this question: Whether because of the resistance to the amendment of the gentleman from Ohio, I can take from that position that the amendment which was just adopted would infringe upon the laws of the various States?

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

Mr. OLIVER P. BOLTON. I yield to the gentleman.

Mr. MULTER. There is no attempt in this bill or in any amendment that has thus far been adopted to infringe upon the laws of any State or locality.

The fact of the matter is that the amendment now pending is completely unworkable because in most metropolitan communities mass transit is an interstate thing.

In New York City the mass traffic goes into New Jersey and into Connecticut.

In Camden it goes into New Jersey and into Pennsylvania.

In Chicago it goes from Illinois into Indiana.

And so on all across the country.

Right here in the District of Columbia, cars go into Maryland and Virginia.

The amendment offered by the gentleman would now say that you have to take local law and make it apply to this mass transit problem. It is utterly and completely unworkable.

Mr. OLIVER P. BOLTON. If the gentleman will excuse me, I did not yield to him for a speech. I asked the gentleman a specific question which he did not answer.

Mr. MULTER. Oh, yes, I did and I will repeat it for you.

Mr. OLIVER P. BOLTON. May I give you my interpretation of your answer? And that is that under the amendment which the House just adopted, these arrangements can be in controversy to the State law in which mass transit exists.

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

Mr. OLIVER P. BOLTON. I will yield for a "yes" or a "no" answer.

Mr. MULTER. I repeat what I said before. Nothing in this bill and nothing in any amendment thus far adopted will infringe upon local law, whether it be of a State or municipality.

Mr. OLIVER P. BOLTON. Is that not exactly what the amendment of the gentleman from Ohio tries to spell out—merely to provide that it will not infringe?

Mr. MULTER. It would go further. It would try to affect interstate commerce and would try to make invalid the laws which now apply to mass transportation problems.

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

Mr. OLIVER P. BOLTON. I yield to the gentleman from Indiana.

Mr. HALLECK. I cannot refrain from making an observation. It seems passing strange to me that the gentleman from Alabama would be resisting an amendment which undertakes, as I understand it, to preserve State and local rights.

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

Mr. HALLECK. I do not have the floor. I am merely saying that it seems strange to me that the gentleman from Alabama would on this occasion get himself in that position.

I happen to be one of those who believe in State and local rights, and I have fought for that in all my time here. I must say that I cannot quite follow some of the operations in respect to what is going on in connection with this bill.

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

Mr. OLIVER P. BOLTON. I am glad to yield to the gentleman from Alabama.

Mr. RAINS. I appreciate the chastisement of the distinguished States rights gentleman from Indiana, given to the gentleman from Alabama. I would have the gentleman understand, plainly and simply, I have spent many a day and week working on the bill. I assume the gentleman has read the bill. I tell him that there is not one line in this bill that would vitiate in any way any State or local law in Alabama or Indiana. I want the record to be clear.

Mr. OLIVER P. BOLTON. Mr. Chairman, if I have any time remaining I should like to ask the same question which I directed to the gentleman in his absence, which was answered by the gentleman from New York.

From refusal to accept this amendment, can it be logically concluded that the amendment which we did just accept warrants the breaking of State law in the "arrangements"?

Mr. RAINS. If I understand the gentleman's question, he is asking whether the amendment we just adopted would provide for violating any State law.

Mr. OLIVER P. BOLTON. That is correct.

Mr. RAINS. The answer to that is definitely no. It would not violate it. There should be no inference, from an amendment as indefinite and as confused as the present amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TAFT].

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

Mr. TAFT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TAFT and Mr. PATMAN.

The Committee divided, and the tellers reported that there were—ayes 123, noes 134.

So the amendment was rejected.

The CHAIRMAN. Without objection, the word "Aaministrator" as it appears on line 1, page 25, will be corrected in its spelling.

There was no objection.

The Clerk read as follows:

Page 26, line 1:

"AIR POLLUTION CONTROL

"SEC. 11. In providing financial assistance to any project under section 3, the Administrator shall take into consideration whether the facilities and equipment to be acquired, constructed, reconstructed, or improved will be designed and equipped to prevent and control air pollution in accordance with any criteria established for this purpose by the Secretary of Health, Education, and Welfare.

"STATE LIMITATION

"SEC. 12. Grants made under section 3 (other than grants for relocation payments in accordance with section 7(b)) for projects in any one State shall not exceed in the aggregate 12½ per centum of the aggregate amount of grant funds authorized to be appropriated pursuant to section 4(b)."

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

Mr. Chairman, I rise in support of this bill and in opposition to the proposed motion to recommit.

Mr. Chairman, I want to express my full and unqualified support for this bill. Both Presidents Kennedy and Johnson have declared mass transit to be must legislation. It seems to me with good reason.

The Nation's metropolitan regions absolutely must have help in building more efficient means of moving people and goods in and out of their central business districts. A modern city cannot survive without a well-developed system for moving people from where they live to where they work.

And I am not referring solely to the older big cities along our coast lines. Nor am I talking only about the much publicized difficulties of the rail commuters in the Northeast. As the Representative of the city of Minneapolis, which is part of the Twin Cities metropolitan area, I can testify that the need extends to hundreds of medium-sized communities. Although these cities face different circumstances and have different transportation systems, they are encountering many of the same problems.

Let us look at a few facts. Since the end of the war, the mushroom growth of suburbia has created a national transportation crisis. As people have moved out of the cities into the suburbs, the population requiring daily transportation has far outpaced the facilities available to accomplish it.

As more and more people have come to depend on their automobiles for transportation, transit company revenues have declined, necessitating fare raises and service cuts. This in turn has drawn still more cars on to the road.

We are all familiar with the enormous traffic problems that have resulted. In almost every city across the Nation thousands of cars converge daily on the central business district causing monumental traffic jams and parking problems.

Many of us, however, do not seem to realize how much money it costs the community, the businessman, and the commuter to cope with the situation.

In addition to the direct cost of highway upkeep and traffic control—which in most communities represents a major share of the local budget—there are all the indirect costs of congested traffic.

It has been estimated that the Nation loses about $5 billion a year in time and wages lost, higher freight rates, extra fuel consumption, and faster vehicle

depreciation that result from cars, trucks, and people being trapped in clogged traffic.

In addition, congested streets mean depreciating property values, reduced investment in intown businesses and a long-term slump in sales, production and employment in downtown areas—in a word, the slow decay of the central city.

All of this, of course, points up the rather basic fact that the growth and vitality of an industrial economy is dependent upon an adequate transportation system—which we do not presently have.

The question before us boils down to whether Congress is going to allow this vital component of our civilization to deteriorate further.

I cannot believe that we shall so decide. There are those, however, who recognize the existence of a problem but who still maintain that it is primarily a local concern with which the Federal Government should not become involved.

This is not an objection which we can treat lightly. The freedom of the local community to work out its own solutions to its own problems is one all Americans cherish.

There comes a point, however, when the dimensions of a problem reach such proportions and when the welfare of such a large segment of our population is at stake that only a national concern and a national effort will suffice. We long ago reached that point with mass transit.

Seventy percent of our Nation's people reside in metropolitan areas. Ninety percent of all future growth will occur in these areas.

Our metropolitan complexes account for more than three-quarters of all manufacturing, wholesale and retail sales in the country. And they generate about the same proportion of our national income.

Truly their future cannot be separated from the Nation's future. They must be vital and growing if the Nation is to meet its commitments against poverty and for freedom at home and abroad.

And it is clear that the magnitude of the urban transportation problem is such that it has far outstripped the capacity of local jurisdictions to deal with it.

The bill now before us has been designed to stimulate the greatest possible local effort and contribution. It requires any federally aided project to be part of a broader master plan for the solution of the area's long-term transportation needs, and it assures that Federal money will be spent only where the local community is willing to devote its own financial resources to the effort.

On the other hand, the bill recognizes that public mass transit is a community service and that its importance transcends narrow economic considerations. We would never permit any American city to go without water, electricity, or police protection. In the modern world, transportation is no less essential.

Many cities, however, need public transportation on a scale and in areas that necessarily involve capital expenditures far beyond anything the fare box alone can support.

To expand bus service, for example, to a new subdivision of 200 families might very well require much greater outlay than a private transit company could afford.

But, if such service could succeed in permanently removing 200 cars from the highways leading downtown every day, it would be both economically feasible and socially urgent from the point of view of the community. Even though fare box receipts might never fully return the capital invested, the longrun savings to the community in terms of reduced costs for other items would more than justify the expenditure.

With the transit operators already caught in the classic squeeze between rising costs and declining revenues, however, they simply cannot afford by themselves to undertake this kind of improvement and extension of service, which alone might induce automobile commuters to use public mass transit.

Consequently, without this bill the Nation's cities will have no other alternative but to continue or even to step up the present frenzied pace of highway building. And our experience with freeways has shown pretty conclusively that unless they are part of a balanced transportation network, including rapid transit, they are self-defeating.

In addition to replacing huge chunks of tax ratable land with arid strips of asphalt and cement, they are enormously expensive in themselves. Construction costs in urbanized areas are reaching astronomical levels—$10 to $20 million a mile not being uncommon. When they are completed, all too often the result is simply rush-hour jams on the highway, increased intown congestion and impossible parking problems—all problems requiring an outlay of still greater resources—men, money, and land—to settle.

As long as the Federal Government is picking up 90 percent of the tab, however, bigger and better highways provide hard-pressed local authorities with the easiest way out. How much more efficient to meet the greater part of our rush hour needs with public mass transit? It is cheaper to build and maintain, it occupies less space, it is easier to expand, and it relieves a host of pressures on the commercial arteries.

In a word, mass transit provides an element of balance to our urban transportation picture.

And, while I am discussing balance in economic terms, I would also like to urge a little more balanced consideration of some of the human elements involved in this problem.

There are millions of Americans, perhaps as much as half of our population, who do not drive automobiles because they are too young or too old, too poor or too infirm. In my own hometown of Minneapolis, there are 65,000 citizens over the age of 65 who depend primarily on the buses for transportation.

It seems to me that in this day and age we have an obligation to make certain that these people have an efficient, comfortable, and moderately priced means for getting where they want to go, when they want to go there.

In view of all these considerations, I do not see how we can fail to enact this most vital piece of legislation. I only hope that enough of my Republican colleagues—particularly those from metropolitan areas which so desperately need this bill—will see their way clear to providing us that extra measure of support we need for passage and to defeat the motion to recommit.

Mr. PELLY. 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 Washington?

There was no objection.

Mr. PELLY. Mr. Chairman, I shall vote against H.R. 3881—the urban mass transportation bill—because it actually represents the start of a new $10 to $15 billion program. Particularly in light of the recent tax cut we should be holding down spending.

This legislation represents the intrusion of the Federal Government in another local field and would tend to destroy initiative of local transit systems and municipalities. I oppose it for that reason, too. Especially I oppose the $10 million backdoor Treasury borrowing authority under section 3(b) of this bill.

Mr. BARRY. Mr. Chairman, may I point out the inadequacies and shocking arbitrary authority of section 6 of this bill providing for research, development and demonstration projects. Demonstration projects under the Housing Act have been highly successful and as the representative of a district which has benefited from this program, I am particularly interested that these projects be continued.

However, under the present bill which we are considering today, section 6 undermines the value of research projects to the community, in which they are undertaken, and to the Nation. Section 6(a) provides authority to the Administrator to "undertake such projects independently, or by contract—including working agreements with other Federal departments and agencies." Therefore, the Administrator can contract with any private body or local public authority. He can contract with any agency of the Government to undertake such projects. He has complete authority despite the wishes, interests, or previous planning of the local or State government. There is no restriction that he must consult with elected public officials. Any demonstration project is strictly at his will and dependent upon his judgment. Now, I have great respect for Mr. Weaver, and this is by no means a personal objection, for I am sure that he has no wish to act as a dictator. However, my point is that this section defies any legal scrutinization. It gives complete discretionary authority to one man, with no veto power over his single opinion and judgment. Our Government was never founded on such a concept and the damage that such an authority can do to the State-Federal relationship or the community-State relationship is irreparable—as well as the precedent such authority would set for laws of the future.

This section is not designed to meet the needs of the particular community in which it is undertaken. This is written

explicitly in the transposed sentence of the committee report:

> Since communities are reluctant to share the cost of a project which is not tailored to their needs the committee believes that the authority for grants up to 100 percent is needed.

Demonstration projects should necessarily benefit the locality, as well as serve as research models for urban transit systems of the future throughout the Nation. I do not see where a full Federal grant would be necessary if the community were to benefit from the program—nor do I see where Federal money should undertake a project which is not approved by the community and which is forced upon it arbitrarily.

This section of the bill should be modified by supplemental legislation after further study in order that it conform to the demonstration project section of the Housing Act.

Mr. BENNETT of Florida. Mr. Chairman, if anyone has traveled to or through some of our metropolitan areas, or even driven to work in Washington, D.C., they have seen the obvious need for some sort of mass transit system. However, as great as the need may be, there is a greater need for the United States in 1964. That need is a cut in Government spending, especially in the face of the largest tax reduction in our Nation's history. This is no time to start a new program such as this. The half billion dollars for the Urban Mass Transportation Act is too big for our pocketbook in 1964.

In May, I circularized organizations and agencies of local government in the district I represent asking their opinion of H.R. 3881. I did not state my own opinion of it as I sincerely sought their advice as a basis for aiding my own research and judgment. The only organization which expressed an opinion one way or the other was the Jacksonville Area Chamber of Commerce and their letter to me urged me to vote against the bill with the observation that "the way to reduce spending is to resist new programs."

Mr. DINGELL. Mr. Chairman, we want to remember here, that under the provisions of H.R. 3881, Federal funds will not move in gratuitously and willy-nilly, and do the whole mass transit job.

On application of the affected city, along with carefully drawn plans integrating the transit system into the planning and development program of the community as a whole—then, Federal funds can come in to cover two-thirds of the cost of the project beyond the transit system's calculated ability to finance the project from the fare box. One-third of that remainder, beyond the normal financing ability of the transit system, would still have to be dug up from local sources.

So, say a city transit system needs a million dollar terminal. But it is able to raise and finance, from transit revenues, only $700,000. Then Federal funds could provide another $200,000 toward the project, if the community can provide, from other sources, $100,000 to match the Federal grant. But that last $100,000, may be easier to find than the first $700,000 because with the new terminal, the company will be a going business again.

This is the way $500 million over 3 years, in careful amounts and in careful places, can do a very big job across our country.

It is not a continuing subsidy program, like tax concessions, guaranteed tax free bonds and the like, no Federal underwriting of continuing losses over the years—but a one-shot program to help our struggling city transit systems get rolling again and serve their communities on their own.

I urge that we carefully consider this legislation and all its merits and that we pass it speedily so we can get after the job.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of H.R. 3881, the urban mass transportation aid bill, which is now before us. This bill is designed to assist mass transit in all urban areas of all sizes. Many of the smaller urban areas in our country, as well as large metropolitan centers, have unmet needs for improved passenger transportation service. The approval of this legislation would foster the development of comprehensively planned mass transportation systems serving natural commuting areas which often include unincorporated, built-up places.

The population in urban and suburban areas is growing at a rapid rate. Between 1910 and 1960 there has been a 24 percent increase in the population trend toward urban areas. The 1960 census disclosed that 70 percent of the population was classified as urban, and in 4 or 5 years it is expected that 80 percent of all the people will live in these areas. These urban areas are expanding into great complexes which will feed into a central industrial and business area handling the needs of those surrounding the area. There will be a need to provide a proper and swift transportation system to enable the populace to have access to all points of the complex. The need is evident now but will be more important in the years to come. We are providing expressways for swift automobile travel but they are not the answer to convenient travel for they are becoming congested with increased auto production. By establishing modern, convenient public transportation systems we can balance the effectiveness of the expressway systems by relieving the congestion, and yet take care of the public's general needs. Expeditious transportation of masses of people is a "key factor" in the efficient organization of urban areas. Unless we can rejuvenate mass transportation service to balance transportation systems, utilizing both highways and transit, we will not meet the needs of the growing urban areas and it may prove more costly at a later date to correct the problem that will exist. I think it is a wise move that we act on this legislation today for it is a prudent move for future realizations of urban area expansion. I hope that the bill will be favorably accepted in this House.

Mr. OSMERS. Mr. Chairman, it is not my intention to repeat the many arguments presented in favor of H.R. 3881. William White, chairman of the Erie Lackawanna Railroad Co. has sent a letter to the mayors of towns in New Jersey which are served by that railroad. His clear analysis of the problems facing metropolitan areas is well worth reading. This important legislation, while not by any means a final solution, should be enacted without further delay.

I ask unanimous consent to insert the aforementioned letter in the RECORD at this point.

ERIE LACKAWANNA RAILROAD CO.,
New York, N.Y., June 19, 1964.

DEAR MR. MAYOR: Erie Lackawanna and its predecessors have provided commuter service for a great many years and for many years at a loss.

Some months ago we engaged the services of an outside firm—Wyer, Dick & Co.—with vast experience in railroad cost analysis, to determine the loss sustained by Erie Lackawanna in providing suburban service as it is now conducted. Their report shows that the deficit being incurred is $7.2 million per year toward which the State of New Jersey contributes $2.2 million, leaving a net deficit of $5 million. This represents a subsidy to our commuters, the burden of which falls on our bondholders and shareowners and which they can no longer bear.

Providing suburban passenger service at a loss is not a situation peculiar to Erie Lackawanna. All railroads that provide commuter service in the metropolitan areas of New York, Boston, and Philadelphia do so at a loss. It is becoming increasingly recognized that railroads must have relief from these losses if the service is to be perpetuated; in fact, the Boston & Maine Railroad is presently seeking to abandon its entire commuter service. A certain amount of relief is being afforded to railroads in the Philadelphia area, by New York and Connecticut in the New York City area, and by the State of New Jersey which, as a stopgap measure, has made a contribution in recent years which to some extent alleviates the loss.

Some people may wonder why losses incurred in operating commuter services have become a more acute problem in recent years than formerly. In capsule form, the reason is that costs have risen more than revenues; and, in addition, earnings from freight service are no longer sufficient to absorb the losses sustained in operating commuter service.

There was a time when people in communities in suburban territory received and shipped freight via the railroads and a good many people used trains during offpeak hours. That is all changed. Years ago anthracite coal was used almost exclusively for space heating in northern New Jersey and New York City and it all moved via rail, but the use of oil and gas and movement of the remainder by truck has resulted in virtually none moving via rail. Also with the advent of more highways and more trucks, builders' supplies, feed, grain, groceries, and other supplies are received by truck. Today there is very little freight revenue being generated at many stations in suburban territory.

The river crossings built by the Port of New York Authority and the massive highway system built with Federal and State funds not only caused freight business to dwindle but also caused people to use buses or automobiles and severely reduced travel on trains operated during offpeak hours and on weekends. Supermarkets and the opening by department stores of branches in the suburban areas have lessened the need of people in New Jersey to travel to do their shopping. Furthermore, people who used trains during offpeak hours paid fares at regular rates instead of the lower rates paid by commuters, and the number of commuters

has decreased despite a large increase in population because so many use their automobiles or travel by bus.

Despite the loss of offpeak passenger travel and freight business, the same extensive facilities are required to handle commuters in the peak hours—2 hours in the morning and 2 hours in the evening—5 days a week. Nevertheless, the peakload requires the same extensive investment in facilities and equipment but they are required only 20 hours out of a week of 168 hours and the equipment is idle much of the time.

Cars and ferryboats used in our commuter service are overage and the electrification system on the former Lackawanna side will soon require extensive rehabilitation. This company does not have funds with which to replace equipment and facilities; and, even if funds were available, we would not be justified in investing money for these purposes with no prospect of earning a return on the investment nor even the prospect of providing the service at a break-even point. Sound business judgment would preclude any businessman from doing so. It is estimated that it would cost nearly $80 million to modernize and rehabilitate the present operation.

Rail commuter service is undoubtedly essential and not only commuters have an interest in its perpetuation because, without it, property values in the area would undoubtedly decrease substantially. Building more highways at taxpayers' expense and increasing fares sufficiently to wipe out the loss would not seem to be the answer.

The fact that Erie Lackawanna's equipment and other facilities are overage and in a few years will have to be retired from service, and certain facilities rehabilitated, makes the problem acute.

In a recent statement to the New Jersey Legislature the railroad division of the State highway department said, "The public interest now requires that additional steps be taken to assure the continuation and improvement of essential rail passenger service." With that statement, we agree; the problem is to find the means by which this can be accomplished. As the Erie Lackawanna is not in a position to fulfill this objective, it is apparent that the State or some public body must assume the burden of underwriting the cost of operating the service and providing the funds for modernization and improvement that will be necessary in the relatively near future.

We are presenting to you a realistic appraisal of a serious situation that must be faced by ourselves, the people and their representatives. It would be a dereliction of duty on our part not to acquaint everyone with the facts of this situation. We are bringing it to public notice now so that some plan of action may be devised promptly to protect the interests of the State, the municipalities served by Erie Lackawanna, and the public and to remove the burden of loss from the owners of our securities. Without some definite program for preserving the service, there will be inevitable deterioration and no recourse available to us other than to move toward abandonment of the service.

We are addressing this letter to mayors of Erie Lackawanna communities and to members of the legislature in northern New Jersey, with copies to the press, so that all those interested may be fully acquainted with the situation, and we trust it will have the earnest consideration which it deserves.

Sincerely yours,

WILLIAM WHITE.

Mr. TALCOTT. Mr. Chairman, this is the worst bill to come out of our committee this session—and we have reported out some bad bills. This bill is probably more inimical to private industry, local government, and private initiative than any bill reported out of any committee this session.

This is the keystone of the arch supporting a new Department of Urban Affairs—a department which will usurp the prerogatives of local municipal governments. With the passage of this bill there is little more needed to place all cities and local governmental districts under the regulation, control, and direction of the Federal Government from Washington, D.C.

This bill is a classic example of the camel getting his nose under the tent. Proponents first sought the tidy sum of $500 million; now they would be willing to accept almost any sum simply to get the program underway. Next year, and all the years thereafter, millions and billions of dollars can be added to be poured down rapid transit tunnels or strung along elevated monorails.

As bad as ARA turned out to be, this massive mass transit plan will be worse. ARA was designed to assist a few poor areas which could not help themselves. This massive transit program is designed to help the rich—rich in assessed valuation and rich in votes.

The big cities have the funds, the talent, the organization, the assessed valuation, the people, the taxpayers, the beneficiaries, the commuters. The big cities can solve their problem. The big cities should solve the problem. Some cities now have feasible plans to provide adequate mass transportation facilities without Federal aid, guidance, or control. All cities would solve their problems more economically, more efficiently and more responsively to their needs if the Federal Government would find some other place to spend its extra moneys.

Most cities need to improve their mass transportation facilities. There is no city which has proved to me that it cannot afford adequate facilities; none that does not have the talent to handle their own affairs and to provide the needed transportation facilities.

When we approve this bill we should look ahead a few years and a few decades. We should add up the true costs, the whole cost. Cities will be divested of their rights and responsibilities to provide strictly local services for local commuters. The Federal transportation czar on the Secretary of Urban Affairs will soon have complete control over local transportation—and allied services and facilities. Private industry will be completely excluded from the mass transit business at first and later from allied transportation facilities.

Labor and management, both, will lose their rights and prerogatives to the central control of the Federal bureaucrats.

The great loses of fundamental rights, and the unbelievably high costs of this program seem too great a price to pay for the big city vote.

We should defeat this bill for the benefit of the taxpayer and the tax user and in the best long-term interests of local government and private industry.

If we pass this bill today, we can anticipate almost any encroachment upon the local governments by the centralists and power seekers of the Federal bureaucracy.

Mr. SHRIVER. Mr. Chairman, H.R. 3881, which is the Urban Mass Transportation Act, long has been dormant since it was reported by the House Banking and Currency Committee in April 1963.

We are being asked to establish a new Federal subsidy program which will benefit only a few metropolitan centers, but will be paid for by all American taxpayers. While the cost for the first 3 years of this program is estimated at $500 million, the total eventual cost could amount to $10 to $15 billion.

How do we pay for this program? We already anticipate deficit financing in the 1965 budget. Last week this House, over the opposition of many Members on this side of the aisle, approved hiking the so-called temporary debt ceiling from $315 to $324 billion for the next fiscal year.

Mr. Chairman, every city strives to provide its residents with an efficient transportation system. But not every city will benefit from this Federal program. This program can do nothing except hasten the day when transit operations will be completely owned and operated by governmental agencies and private operations will cease to exist.

Mr. Bernard Calkins, who is president of the rapid transit lines in Houston, Tex., and rapid transit lines in Wichita, Kans., testified before the Subcommittee on Surface Transportation of the Senate Committee on Commerce in regard to this legislation. Mr. Calkins has been in the transit transportation business for more than 33 years.

Mr. Calkins offered the subcommittee his ideas regarding an approach which could be helpful in alleviating mass transportation problems of metropolitan areas and, at the same time, preserve our private enterprise system. He said:

I firmly believe that the transit business can be solved by private enterprise, but I believe that assistance should be given through possibly guaranteed loans which would enable a private operator to finance his equipment and facilities over longer periods of time at lower interest rates. There is precedent for this thinking. You have the Federal Housing Administration, the Veterans' Administration, which guarantee home loans and have done a good job in providing housing for the general public at lower interest rates and for longer periods of time; there was the Reconstruction Finance Corporation which served a similar purpose for business; you have a program whereby such guaranteed financing is available to electric cooperatives; and I understand that similar guaranteed loans are available to certain feeder airlines. There may be others.

I have noted that some of the legislation proposed involves a Federal grant program for such facilities, but only where used through local governmental agencies. These grants would also provide, I believe, for the acquisition of private transit operations. If there is to be any Federal participation in the way of providing direct funds and grants, I believe such funds could be logically used in providing separated rights-of-way over which transit systems could operate. This would not be a departure from present policies wherein the streets over which a transit line operates are paid for by either the local residents in their areas, city street funds, State highway funds, or, in the case of both State highways and interstate highways, Federal funds provide such construction.

I believe that private enterprise can and will continue to be able to provide equipment to operate and for the operational cost of transit operations under the American free enterprise system if legislation can be passed that will (1) make available loans for operating equipment payable over longer periods of time and at lower interest rates than are now available, and (2) provide the funds for separated facilities over which to operate so that the transit vehicles will not be intermingled with regular automobile traffic and thereby hampered by the same.

Mr. Chairman, under provisions of H.R. 3881 the only way in which cities such as Wichita and Houston could qualify for either loans or grants would be for the local or State governing bodies to acquire the privately owned transportation systems.

We are being asked to provide an expensive Federal program of subsidization to solve problems which can more economically and efficiently be resolved through local, State, and private initiative.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 3881.

Efficient transportation of freight, workers, and customers is the lifeblood of commerce and industry and, indeed, of our entire mode of daily living today. By necessity we are all commuters and travelers, whether we live in rural communities or large cities, and whether we live in Hawaii or on the mainland United States.

The rapid mushrooming of our population requires constant changes to meet new challenges in the field of transportation. The accumulation of capital to meet these changes is often beyond the resources of local corporations, communities, and cities. Paradoxically, the development of urban areas does not mean automatic profits to the transit system, whose rising costs and declining patronage make adequate facilities, equipment, and service difficult to maintain. Revolutionary and rapid changes in the character of a community demand equally revolutionary and rapid changes in the facilities to take care of them. Otherwise, congestion and frustration will become a part of our daily living even more than it has been up to the present time.

Mass transit must play an increasingly important role in the development of our urban areas to meet the demand of additional streets and parking facilities for the vastly increasing number of private cars would in many urban areas require the destruction of many residential and commercial areas, and the relocating of thousands of people. This is too expensive an alternative to the development of mass transportation.

Two-thirds of our Nation's people now live in urban areas. Hawaii's population is over 80 percent urban and within areas served by public transportation. Passage of the bill will make it possible for us to plan and put into effect a program for the early and efficient development of our transportation systems throughout the Nation.

Let us not hold back the clock, but rather, let us as responsible Members of Congress meet the challenge of the times and move our country ahead by passage of this most essential bill.

Mr. DONOHUE. Mr. Chairman, I rise to urge prompt approval of this urgently needed measure before us, H.R. 3881, the Urban Mass Transportation Act of 1963.

As you are aware this bill, already enacted by the Senate, proposes an expenditure of $500 million to provide a long-range program of cooperation between the Federal Government and State and local units, to bring some order out of the increasingly chaotic condition of transportation facilities in so many urban and metropolitan centers throughout the Nation, including my own home State and area.

The evidence presented in support of this bill clearly reveals that it would be a major mistake to permit any increasing strangulation and disintegration of our outmoded transportation facilities whose current traffic congestion is costing the Nation a conservatively estimated $8 billion annually.

An analysis of the factors involved in this challenging problem clearly indicate the various urban and metropolitan centers and the separate States cannot promote an adequate solution through their individual resources; they must have assistance from the Federal Government. An examination of the provisions of this bill reveal that the suggested assistance is very reasonable and moderate and the States and localities will bear the major portion of the overall burden.

Mr. Chairman, any objective review of this transportation improvement challenge throughout the country proves the need for this legislation is imperative; the Federal participation proposed is reasonable; the projected program over a long-range period is prudent; that failure to act now could well precipitate a major crisis and the program proposed is beyond any doubt in accord with our traditions and legitimate concern for the national safety and welfare. Let us, therefore, approve this measure without extended delay.

MASS TRANSPORTATION BILL

Mr. SICKLES. Mr. Chairman, at the present time in this country over 70 percent of our people live in urban areas so that adequate mass transportation facilities represents a national problem. It has been estimated that within 20 years over half the American people will be concentrated in 40 large urban centers across the Nation, including, of course, one such center in Baltimore and another in the Washington metropolitan area.

In each of these areas as in other cities around the country traffic congestion, lack of parking space, and outmoded or inadequate mass transportation facilities have combined to endanger the health and vitality of the inner city and its suburbs.

Mass transportation facilities in our large urban centers have been unable to meet the demands on them in recent years and as a result the number of people using these systems and their usefulness has declined. Many big cities have found themselves financially unable to meet the large capital investment that would be required to reverse this trend. As the cities become less able to deal with their transportation problems, businesses and tax sources move elsewhere to further compound the problem. It is another one of those gloomy cycles that can be broken only by the entry of a new element. The Federal Government, of course, because of its superior tax resources, could provide some measure of assistance to local communities who must deal with this problem.

The Federal program would fund up to two-thirds of the cost of the acquisition, construction, and improvement of mass transportation facilities and equipment in an individual city which has an adequate long-range transportation plan. The program would be administered by the Housing and Home Finance Agency where some transportation planning assistance is already available as a result of the Housing Act of 1961.

As a matter of fact, the Baltimore area is now being studied as a result of the transportation planning program under this act. The Baltimore-Metropolitan Transit Authority has contracted with a private firm to draw up a program of long-range improvements in public mass transportation over the next 15 years. A Federal grant of $323,560 is financing two-thirds of the cost of the study with one-third of the funds being supplied locally. The first phase of the consultant's report has already been completed and was favorably received by city officials. It has been estimated that the Baltimore metropolitan area which has about 60 percent of the State's population will have a population increase of over 80 percent in the next 15 years. It is most important that Baltimore has a transportation system adequate to meet the demands of this growth and thus provide adequate transportation to the people living in the area.

Once these plans have been completed, a program of Federal financial assistance could be most helpful. The Baltimore City Council has recognized this by recently passing a resolution favoring enactment of a national mass transportation bill by the Congress.

As for the Washington metropolitan area, passage of a national program could create a climate favorable for the enactment of a special program for the District of Columbia area. This program of improvements would, of course, be especially important to Marylanders who work or shop in the city.

It is most important that we act now at the Federal level to provide proper incentives for improvement of urban transportation facilities. The longer we wait, the more costly it will be. Indeed, many cities have already abandoned transit rights-of-way.

In the field of highway construction the Federal interstate road program and Federal aid to secondary roads have had a tremendous economic impact all over the United States. Similarly, Federal aid to promote the establishment of a balanced mass transportation and road system would greatly help relieve the commuter rush that is now strangling our cities and contribute to the economic revival of our cities and orderly development of our suburbs.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Moss, 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. 3881) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes pursuant to House Resolution 732, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. TAFT. Mr. Speaker, I demand a separate vote on the amendment offered by Mr. RAINS to section 10(c) starting on line 23, page 24.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 24, line 23, strike out "the granting of".

Page 25, strike out lines 1 and 2 and insert in lieu thereof "are made, as determined by the Secretary of Labor,".

Page 25, line 8, immediately before the semicolon, insert "or otherwise".

Page 25, line 8, strike out everything after "(2)".

Page 25, line 11, strike out "priority" and insert in lieu thereof "assurances".

Page 25, line 12, strike out "or" where it first appears and insert in lieu thereof "to employees of acquired mass transportation systems and priority of".

Page 25, line 13, strike out everything after the period, down through and including "such" in line 15, and insert in lieu thereof "Such".

Page 25, line 19, strike out "such Act" and insert in lieu thereof "the Act of February 4, 1887 (24 Stat. 379), as amended".

Page 25, line 19, strike out the comma and all that follows down through "agreements" in line 22.

The SPEAKER. The question is on the amendment.

Mr. TAFT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 234, nays 170, not voting 27, as follows:

[Roll No. 168]

YEAS—234

Addabbo	Burkhalter	Delaney
Albert	Burton, Calif.	Dent
Andrews, Ala.	Byrne, Pa.	Denton
Ashley	Cahill	Diggs
Aspinall	Carey	Dingell
Barrett	Casey	Donohue
Bass	Celler	Downing
Beckworth	Chelf	Dulski
Bennett, Fla.	Clark	Duncan
Blatnik	Cohelan	Dwyer
Boggs	Cooley	Edmondson
Boland	Corbett	Edwards
Bolling	Corman	Elliott
Bonner	Cunningham	Everett
Brademas	Curtin	Fallon
Bray	Daddario	Farbstein
Brooks	Daniels	Fascell
Brown, Calif.	Davis, Ga.	Feighan
Buckley	Davis, Tenn.	Finnegan
Burke	Dawson	Fino
Flood	Lindsay	Rogers, Colo.
Flynt	Long, La.	Rooney, N.Y.
Fogarty	Long, Md.	Rooney, Pa.
Fountain	McDade	Roosevelt
Fraser	McDowell	Rosenthal
Friedel	McFall	Rostenkowski
Fulton, Pa.	Macdonald	Roush
Fulton, Tenn.	Madden	Roybal
Gallagher	Mahon	Ryan, Mich.
Garmatz	Marsh	Ryan, N.Y.
Gary	Mathias	St Germain
Giaimo	Matsunaga	St. Onge
Gilbert	Miller, Calif.	Saylor
Gill	Milliken	Schweiker
Glenn	Minish	Secrest
Gonzalez	Monagan	Selden
Grabowski	Montoya	Sheppard
Gray	Moorhead	Shipley
Green, Pa.	Morgan	Sickles
Griffiths	Morris	Sisk
Grover	Morrison	Slack
Hagan, Ga.	Moss	Smith, Iowa
Hagen, Calif.	Multer	Smith, Va.
Halpern	Murphy, Ill.	Staebler
Hanna	Murphy, N.Y.	Stafford
Hansen	Natcher	Staggers
Harding	Nedzi	Steed
Hardy	Nix	Stephens
Hawkins	O'Brien, N.Y.	Stratton
Hays	O'Hara, Ill.	Stubblefield
Healey	O'Hara, Mich.	Sullivan
Hébert	O'Konski	Taylor
Hechler	Olsen Mont	Teague, Tex.
Holifield	Olson, Minn.	Thomas
Holland	O'Neill	Thompson, La.
Horton	Osmers	Thompson, N.J.
Huddleston	Passman	Thompson, Tex.
Hull	Patman	Toll
Jennings	Patten	Tollefson
Joelson	Pepper	Trimble
Johnson, Calif.	Perkins	Tupper
Johnson, Wis.	Philbin	Tuten
Jones, Ala.	Pickle	Udall
Jones, Mo.	Pike	Ullman
Karsten	Poage	Van Deerlin
Karth	Poff	Vanik
Kastenmeier	Price	Vinson
Kelly	Pucinski	Wallhauser
Keogh	Purcell	Weltner
King, Calif.	Rains	White
Kirwan	Randall	Wickersham
Kluczynski	Reid, N.Y.	Widnall
Kornegay	Reuss	Wilson,
Kunkel	Rhodes, Pa.	Charles H.
Landrum	Rivers, Alaska	Wright
Lankford	Rivers, S.C.	Young
Leggett	Roberts, Ala.	Zablocki
Lesinski	Roberts, Tex.	
Libonati	Rodino	

NAYS—170

Abbitt	Cleveland	Johansen
Abele	Collier	Johnson, Pa.
Abernethy	Colmer	Jonas
Adair	Conte	Keith
Alger	Cramer	Kilburn
Anderson	Curtis	King, N.Y.
Andrews,	Dague	Knox
N. Dak.	Derounian	Kyl
Arends	Derwinski	Laird
Ashmore	Devine	Langen
Ayres	Dole	Latta
Baker	Dorn	Lennon
Baldwin	Dowdy	Lipscomb
Barry	Ellsworth	Lloyd
Bates	Findley	McClory
Battin	Fisher	McCulloch
Becker	Ford	McIntire
Beermann	Foreman	McLoskey
Belcher	Frelinghuysen	McMillan
Bell	Fuqua	MacGregor
Berry	Gathings	Mailliard
Betts	Gibbons	Martin, Calif.
Bolton,	Goodell	Martin, Mass.
Frances P.	Goodling	Martin, Nebr.
Bolton,	Grant	Matthews
Oliver P.	Griffin	May
Bow	Gross	Meader
Brock	Gubser	Michel
Bromwell	Gurney	Minshall
Broomfield	Haley	Moore
Brotzman	Hall	Morse
Brown, Ohio	Halleck	Morton
Broyhill, N.C.	Harrison	Mosher
Broyhill, Va.	Harsha	Murray
Burleson	Harvey, Ind.	Nelsen
Burton, Utah	Harvey, Mich.	Norblad
Byrnes, Wis.	Henderson	Ostertag
Cederberg	Herlong	Pelly
Chamberlain	Hoeven	Pillion
Chenoweth	Horan	Pirnie
Clancy	Hosmer	Pool
Clausen,	Hutchinson	Quie
Don H.	Jarman	Quillen
Clawson, Del	Jensen	Reid, Ill.
Reifel	Sikes	Watson
Rhodes, Ariz.	Siler	Weaver
Rich	Skubitz	Westland
Riehlman	Smith, Calif.	Whalley
Robison	Snyder	Wharton
Rogers, Fla.	Stinson	Whitener
Roudebush	Taft	Whitten
Rumsfeld	Talcott	Williams
St. George	Teague, Calif.	Wilson Bob
Schenck	Thomson, Wis.	Wilson, Ind.
Schneebeli	Tuck	Winstead
Short	Utt	Wydler
Shriver	Van Pelt	Wyman
Sibal	Waggonner	Younger

NOT VOTING—27

Ashbrook	Green, Oreg.	Powell
Auchincloss	Harris	Rogers, Tex.
Avery	Hoffman	Schadeberg
Baring	Ichord	Schwengel
Bennett, Mich.	Kee	Scott
Bruce	Kilgore	Senner
Cameron	Miller, N.Y.	Springer
Evins	Mills	Watts
Forrester	Pilcher	Willis

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Willis for, with Mr. Bruce against.

Mr. Pilcher for, with Mr. Schadeberg against.

Mr. Senner for, with Mr. Ashbrook against.

Until further notice:

Mr. Cameron with Mr. Avery.

Mrs. Green of Oregon with Mr. Springer.

Mr. Rogers of Texas with Mr. Hoffman.

Mr. Baring with Mr. Bennett of Michigan.

Mr. Watts with Mr. Schwengel.

Mr. Evins with Mr. Miller of New York.

Mrs. Kee with Mr. Kilgore.

Mr. Harris with Mr. Scott.

Mr. Ichord with Mr. Forrester.

Mr. JONES of Missouri changed his vote from "nay" to "yea."

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

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT

Mr. OLIVER P. BOLTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. OLIVER P. BOLTON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. OLIVER P. BOLTON moves to recommit the bill (H.R. 3881) to the Committee on Banking and Currency, with instructions to report the same back to the House forthwith with an amendment as follows: Strike out all after the enacting clause and insert the following:

"That the Committees on Banking and Currency of the House and Senate shall conduct an intensive continuing review of—

"(1) the results derived from the mass transportation demonstration and research projects authorized under section 303 of the Housing Act of 1961, and

"(2) the status of the planning processes pursuant to section 134 of title 23 of the United States Code, in order to insure that

such processes and projects have been sufficiently carried forward to provide the engineering data and other information necessary for an effective mass transportation program before further action on such a program is undertaken by the Congress."

Mr. PATMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. OLIVER P. BOLTON) there were—ayes 132, noes 187.

Mr. OLIVER P. BOLTON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 190, nays 215, not voting 27, as follows:

[Roll No. 169]

YEAS—190

Abbitt	Fountain	Murray
Abele	Fuqua	Natcher
Abernethy	Gary	Nelsen
Adair	Gathings	Norblad
Alger	Gibbons	O'Hara, Mich.
Anderson	Goodell	Ostertag
Andrews, Ala.	Goodling	Passman
Andrews, N. Dak.	Grant	Pelly
	Griffin	Pickle
Arends	Gross	Pillion
Ashmore	Gubser	Pirnie
Ayres	Gurney	Poff
Baker	Haley	Pool
Baldwin	Hall	Quie
Barry	Halleck	Quillen
Battin	Hardy	Reid, Ill.
Becker	Harrison	Reifel
Beermann	Harsha	Rhodes, Ariz.
Belcher	Harvey, Ind.	Rich
Bell	Harvey, Mich.	Riehlman
Bennett, Fla.	Hébert	Roberts, Ala.
Berry	Henderson	Robison
Betts	Herlong	Rogers, Fla.
Bolton, Frances P.	Hoeven	Roudebush
	Horan	Roush
Bolton, Oliver P.	Hosmer	Rumsfeld
	Huddleston	St. George
Bow	Hull	Schenck
Bray	Hutchinson	Schneebeli
Brock	Jarman	Selden
Bromwell	Jensen	Short
Broomfield	Johansen	Shriver
Brotzman	Johnson, Pa.	Sikes
Brown, Ohio	Jonas	Siler
Broyhill, N.C.	Jones, Mo.	Skubitz
Broyhill, Va.	Kilburn	Smith, Calif.
Burleson	King, N.Y.	Smith, Va.
Burton, Utah	Knox	Snyder
Byrnes, Wis.	Kornegay	Stafford
Casey	Kunkel	Stinson
Cederberg	Kyl	Stubblefield
Chamberlain	Laird	Taft
Chelf	Langen	Talcott
Chenoweth	Latta	Taylor
Clancy	Lennon	Teague, Calif.
Clausen, Don H.	Lipscomb	Thomas
	Lloyd	Thomson, Wis.
Clawson, Del	McClory	Tuck
Cleveland	McCulloch	Tupper
Collier	McIntire	Utt
Colmer	McLoskey	Van Pelt
Conte	McMillan	Waggonner
Cramer	MacGregor	Watson
Curtis	Marsh	Westland
Derwinski	Martin, Calif.	Whalley
Devine	Martin, Nebr.	Wharton
Dole	Mathias	Whitener
Dorn	Matthews	Whitten
Dowdy	May	Williams
Downing	Meader	Wilson, Bob
Ellsworth	Michel	Wilson, Ind.
Findley	Minshall	Winstead
Fisher	Moore	Wyman
Ford	Morton	Younger
Foreman	Mosher	

NAYS—215

Addabbo	Bates	Bonner
Albert	Beckworth	Brademas
Ashley	Blatnik	Brooks
Aspinall	Boggs	Brown, Calif.
Barrett	Boland	Buckley
Bass	Bolling	Burke
Burkhalter	Hays	Poage
Burton, Calif.	Healey	Price
Byrne, Pa.	Hechler	Pucinski
Cahill	Holifield	Purcell
Carey	Holland	Rains
Celler	Horton	Randall
Clark	Jennings	Reid, N.Y.
Cohelan	Joelson	Reuss
Cooley	Johnson, Calif.	Rhodes, Pa.
Corbett	Johnson, Wis.	Rivers, Alaska
Corman	Jones, Ala.	Rivers, S.C.
Cunningham	Karsten	Roberts, Tex.
Curtin	Karth	Rodino
Daddario	Kastenmeier	Rogers, Colo.
Dague	Keith	Rooney, N.Y.
Daniels	Kelly	Rooney, Pa.
Davis, Ga.	Keogh	Roosevelt
Davis, Tenn.	King, Calif.	Rosenthal
Dawson	Kirwan	Rostenkowski
Delaney	Kluczynski	Roybal
Dent	Landrum	Ryan, Mich.
Denton	Lankford	Ryan, N.Y.
Derounian	Leggett	St Germain
Diggs	Lesinski	St. Onge
Dingell	Libonati	Saylor
Donohue	Lindsay	Schweiker
Dulski	Long, La.	Secrest
Duncan	Long, Md.	Sheppard
Dwyer	McDade	Shipley
Edmondson	McDowell	Sibal
Edwards	McFall	Sickles
Elliott	Macdonald	Sisk
Everett	Madden	Slack
Fallon	Mahon	Smith, Iowa
Farbstein	Mailliard	Staebler
Fascell	Martin, Mass.	Staggers
Feighan	Matsunaga	Steed
Finnegan	Miller, Calif.	Stephens
Fino	Milliken	Stratton
Flood	Minish	Sullivan
Flynt	Monagan	Teague, Tex.
Fogarty	Montoya	Thompson, La.
Fraser	Moorhead	Thompson, N.J.
Frelinghuysen	Morgan	Thompson, Tex.
Friedel	Morris	Toll
Fulton, Pa.	Morrison	Tollefson
Fulton, Tenn.	Morse	Trimble
Gallagher	Moss	Tuten
Garmatz	Multer	Udall
Giaimo	Murphy, Ill.	Ullman
Gilbert	Murphy, N.Y.	Van Deerlin
Gill	Nedzi	Vanik
Glenn	Nix	Vinson
Gonzalez	O'Brien, N.Y.	Wallhauser
Grabowski	O'Hara, Ill.	Weaver
Gray	O'Konski	Weltner
Green, Pa.	Olsen, Mont.	White
Griffiths	Olson, Minn.	Wickersham
Grover	O'Neill	Widnall
Hagan, Ga.	Osmers	Wilson, Charles H.
Hagen, Calif.	Patman	
Halpern	Patten	Wright
Hanna	Pepper	Wydler
Hansen	Perkins	Young
Harding	Philbin	Zablocki
Hawkins	Pike	

NOT VOTING—27

Ashbrook	Green, Oreg.	Powell
Auchincloss	Harris	Rogers, Tex.
Avery	Hoffman	Schadeberg
Baring	Ichord	Schwengel
Bennett, Mich.	Kee	Scott
Bruce	Kilgore	Senner
Cameron	Miller, N.Y.	Springer
Evins	Mills	Watts
Forrester	Pilcher	Willis

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Mills for, with Mr. Senner against.
Mr. Schadeberg for, with Mr. Willis against.
Mr. Schwengel for, with Mr. Powell against.
Mr. Bruce for, with Mr. Pilcher against.

Until further notice:

Mr. Cameron with Mr. Springer.
Mr. Rogers of Texas with Mr. Bennett of Michigan.
Mr. Kilgore with Mr. Avery.
Mr. Baring with Mr. Hoffman.
Mr. Harris with Mr. Miller of New York.
Mr. Evins with Mr. Ashbrook.
Mr. Scott with Mrs. Kee.
Mr. Forrester with Mr. Ichord.

Mr. O'HARA of Michigan and Mr. GUBSER changed their votes from "nay" to "yea."

Messrs. GRAY and SHEPPARD changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 212, nays 189, answered "present" 3, not voting 27, as follows:

[Roll No. 170]

YEAS—212

Addabbo	Gill	Olson, Minn.
Albert	Glenn	O'Neill
Ashley	Gonzalez	Osmers
Aspinall	Grabowski	Patman
Auchincloss	Gray	Patten
Barrett	Green, Pa.	Pepper
Barry	Griffiths	Perkins
Bass	Grover	Philbin
Bates	Gubser	Pike
Beckworth	Hagan, Ga.	Price
Blatnik	Hagen, Calif.	Pucinski
Boggs	Halpern	Purcell
Boland	Hanna	Rains
Bolling	Hansen	Randall
Bonner	Harding	Reid, N.Y.
Brademas	Hawkins	Reuss
Brooks	Hays	Rhodes, Pa.
Brown, Calif.	Healey	Rivers, Alaska
Buckley	Hechler	Rivers, S.C.
Burke	Holifield	Rodino
Burkhalter	Holland	Rogers, Colo.
Burton, Calif.	Horton	Rooney, N.Y.
Byrne, Pa.	Joelson	Rooney, Pa.
Cahill	Johnson, Calif.	Roosevelt
Carey	Johnson, Wis.	Rosenthal
Celler	Jones, Ala.	Rostenkowski
Clark	Karsten	Roybal
Cohelan	Karth	Ryan, Mich.
Conte	Kastenmeier	Ryan, N.Y.
Cooley	Keith	St Germain
Corbett	Kelly	St. Onge
Corman	Keogh	Saylor
Cunningham	King, Calif.	Schweiker
Curtin	Kirwan	Secrest
Daddario	Kluczynski	Sheppard
Dague	Landrum	Shipley
Daniels	Lankford	Sibal
Davis, Ga.	Leggett	Sickles
Dawson	Lesinski	Sisk
Delaney	Libonati	Slack
Dent	Lindsay	Staebler
Denton	Long, La.	Staggers
Derounian	Long, Md.	Steed
Diggs	McDade	Stephens
Dingell	McDowell	Stratton
Donohue	McFall	Sullivan
Dulski	Macdonald	Thompson, La.
Duncan	Madden	Thompson, N.J.
Dwyer	Mailliard	Thompson, Tex.
Edmondson	Martin, Mass.	Toll
Edwards	Matsunaga	Tollefson
Elliott	Miller, Calif.	Trimble
Everett	Milliken	Tuten
Fallon	Minish	Udall
Farbstein	Minshall	Ullman
Fascell	Monagan	Van Deerlin
Feighan	Montoya	Vanik
Finnegan	Moorhead	Vinson
Fino	Morgan	Wallhauser
Flood	Morris	Weaver
Flynt	Morrison	Weltner
Fogarty	Morse	Whalley
Fraser	Moss	White
Frelinghuysen	Multer	Wickersham
Friedel	Murphy, Ill.	Widnall
Fulton, Pa.	Murphy, N.Y.	Wilson, Charles H.
Fulton, Tenn.	Nedzi	
Gallagher	Nix	Wydler
Garmatz	O'Brien, N.Y.	Young
Giaimo	O'Hara, Ill.	Younger
Gilbert	Olsen, Mont.	Zablocki

NAYS—189

Abbitt	Andrews, N. Dak.	Battin
Abele		Becker
Abernethy	Arends	Beermann
Adair	Ashmore	Belcher
Alger	Ayres	Bell
Anderson	Baker	Bennett, Fla.
Andrews, Ala.	Baldwin	Berry

Betts	Harvey, Ind.	Poage
Bolton, Frances P.	Harvey, Mich.	Poff
	Hébert	Pool
Bolton, Oliver P.	Henderson	Quie
	Herlong	Quillen
Bow	Hoeven	Reid, Ill.
Bray	Horan	Reifel
Brock	Hosmer	Rhodes, Ariz.
Bromwell	Huddleston	Rich
Broomfield	Hull	Riehlman
Brotzman	Hutchinson	Roberts, Ala.
Brown, Ohio	Jarman	Roberts, Tex.
Broyhill, N.C.	Jennings	Robison
Broyhill, Va.	Jensen	Rogers, Fla.
Burleson	Johansen	Roudebush
Byrnes, Wis.	Johnson, Pa.	Roush
Casey	Jonas	Rumsfeld
Cederberg	Jones, Mo.	St. George
Chamberlain	Kilburn	Schenck
Chelf	King, N.Y.	Schneebeli
Chenoweth	Knox	Selden
Clancy	Kornegay	Short
Clausen, Don H.	Kunkel	Shriver
	Kyl	Sikes
Clawson, Del	Laird	Siler
Cleveland	Langen	Skubitz
Collier	Latta	Smith, Calif.
Colmer	Lennon	Smith, Iowa
Cramer	Lipscomb	Smith, Va.
Curtis	Lloyd	Snyder
Derwinski	McClory	Stafford
Devine	McCulloch	Stinson
Dole	McIntire	Stubblefield
Dorn	McLoskey	Taft
Dowdy	McMillan	Talcott
Downing	MacGregor	Taylor
Ellsworth	Mahon	Teague, Calif.
Findley	Marsh	Teague, Tex.
Fisher	Martin, Calif.	Thomas
Ford	Martin, Nebr.	Thomson, Wis.
Foreman	Mathias	Tuck
Fountain	Matthews	Tupper
Fuqua	May	Utt
Gary	Meader	Van Pelt
Gathings	Michel	Waggonner
Gibbons	Moore	Watson
Goodell	Morton	Westland
Goodling	Mosher	Wharton
Grant	Murray	Whitener
Griffin	Natcher	Whitten
Gross	Nelsen	Williams
Gurney	Norblad	Wilson, Bob
Haley	Ostertag	Wilson, Ind.
Hall	Passman	Winstead
Halleck	Pelly	Wright
Hardy	Pickle	Wyman
Harrison	Pillion	
Harsha	Pirnie	

ANSWERED "PRESENT"—3

Davis, Tenn.	O'Hara, Mich.	O'Konski

NOT VOTING—27

Ashbrook	Green, Oreg.	Powell
Avery	Harris	Rogers, Tex.
Baring	Hoffman	Schadeberg
Bennett, Mich.	Ichord	Schwengel
Bruce	Kee	Scott
Burton, Utah	Kilgore	Senner
Cameron	Miller, N.Y.	Springer
Evins	Mills	Watts
Forrester	Pilcher	Willis

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Pilcher for, with Mr. Davis of Tennessee against.

Mr. Willis for, with Mr. O'Konski against.

Mr. Powell for, with Mr. O'Hara of Michigan against.

Mr. Senner for, with Mr. Mills against.

Until further notice:

Mr. Cameron with Mr. Avery.

Mr. Kilgore with Mr. Burton of Utah.

Mr. Rogers of Texas with Mr. Schadeberg.

Mrs. Green or Oregon with Mr. Springer.

Mr. Scott with Mr. Ashbrook.

Mr. Evins with Mr. Schwengel.

Mr. Baring with Mr. Bruce.

Mr. Harris with Mr. Bennett of Michigan.

Mr. Forrester with Mr. Miller of New York.

Mr. Watts with Mr. Hoffman.

Mr. Ichord with Mrs. Kee.

Mr. O'HARA of Michigan. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. POWELL]. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. O'KONSKI. Mr. Speaker, I have a live pair with the gentleman from Louisiana [Mr. WILLIS]. If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. DAVIS of Tennessee. Mr. Speaker, I have a live pair with the gentleman from Georgia [Mr. PILCHER]. Had he been present he would have voted "yea." I voted "nay." I 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.

Mr. RAINS. Mr. Speaker, pursuant to House Resolution 732, I call up from the Speaker's table for immediate consideration the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Transportation Act of 1963".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) that the predominant part of the Nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary lines of local jurisdictions and often extend into two or more States;

(2) that the welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, and other federally aided programs are being jeopardized by the deterioration or inadequate provision of urban transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis; and

(3) that Federal financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

(b) The purposes of this Act are—

(1) to assist in the development of improved mass transportation facilities, equipment, techniques, and methods, with the cooperation of mass transportation companies both public and private;

(2) to encourage the planning and establishment of areawide urban mass transportation systems needed for economical and desirable urban development, with the cooperation of mass transportation companies both public and private; and

(3) to provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs.

SEC. 3. (a) In accordance with the provisions of this Act, the Administrator is authorized to guarantee qualified revenue bonds or, where the Administrator has determined that such guaranteed revenue bonds would not provide the financial assistance required by the applicant, to make grants or loans (directly, through the purchase of securities or equipment trust certificates, or otherwise) to assist States and local public bodies and agencies thereof, and mass transportation companies both public and private, in financing the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas and in coordinating such service with highway and other transportation in such areas. Assistance may be provided for land and improvements acquired or constructed in advance of such use, if the Administrator obtains adequate assurance of repayment of the assistance where the land and improvements are not in fact put to the proposed use within a reasonable period of time. Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and any other real or personal property needed for an efficient and coordinated mass transportation system. No guarantee of revenue bonds, grant or loan shall be provided under this section unless the Administrator determines that the applicant (which in no case shall be a private company) has or will have (1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment. The applicant shall, with respect to private mass transportation companies, give full consideration to the exercise of such continuing control through the appropriate existing governmental regulatory agency authorized to issue to the operating company, in the form of certificates of public convenience and necessity, franchises, or other indicia of operating authority, the authority to operate as a private mass transportation company. No such funds shall be used for payment of ordinary governmental or nonproject operating expenses.

(b)(1) No financial assistance shall be made available under this Act to any State or local public body or agency thereof for the purpose, directly or indirectly, of acquiring any interest in, or purchasing any facilities or other property of a private mass transportation company, or for the purpose of constructing, improving, or reconstructing any facilities or other property acquired, after the effective date of this Act, from any such company; unless (A) such company has, prior to such acquisition, been declared bankrupt or placed into receivership by a court of competent jurisdiction, or (B) the Administrator finds that such assistance is essential to a program, proposed or under active preparation, for the acquisition of mass transportation facilities or property which are supplementary to the service provided by an existing publicly owned or operated mass transportation system, and (C) in either situation under A or B, the Administrator and the Secretary of Labor, acting jointly in accordance with the provisions of section 19(c) of this Act, find that the project to be assisted complies with the requirements set forth therein.

(b)(2) No financial assistance shall be made available under this Act to any State or local public body or agency thereof for the purpose of providing by contract or otherwise for the operation of mass transportation facilities or equipment in competition with, or supplementary to, the service provided by an existing mass transportation company unless (A) the Administrator finds that such assistance is essential to a program, proposed or under active preparation, for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the urban area, (B) the Administrator finds that such program, to the maximum extent

feasible, provides for the participation of private mass transportation companies, and (C) the Administrator and the Secretary of Labor, acting jointly in accordance with the provisions of section 19(c) of this Act, find that such program complies with the requirements set forth therein.

(c) No Federal assistance under this Act shall be extended to any State or local public body or agency thereof to assist any private mass transportation company unless the Administrator is assured that the State or States and the local public bodies or agencies thereof in the area covered by a proposed project have afforded the company every feasible relief, compatible with their own fiscal responsibilities, including, but not necessarily limited to, relinquishment of real property taxes, personal property taxes and franchise taxes; and no Federal assistance shall be extended under this Act to any State or local public body or agency thereof to assist a public mass transportation company or any division or segment of its operations when one or more other divisions or segments are operating profitably unless the Administrator is assured that the transfer of funds from one division or segment to another would not be compatible with the maintenance of a coordinated mass transportation system in the area covered by the proposed project.

(d) No loan shall be made under this section for any project for which a grant is made under this section, except grants made for relocation payments in accordance with section 16(b). Loans under this section shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955. The authority provided in section 203 of such amendments to obtain funds for loans under clause (2) of section 202(a) of such amendments shall (except for undisbursed loan commitments) hereafter be exercised by the Administrator (without regard to the proviso in section 202(d) of such amendments) solely to obtain funds for loans under this section.

(e) Section 203(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end of the third sentence a semicolon and the following: "except that notes or other obligations issued by the Administrator to the Secretary of the Treasury to obtain funds to provide financial assistance under section 202(a)(2) (as modified by section 3(d) of the Urban Mass Transportation Act of 1963) shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average yield on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance by the Administrator of the notes or other obligations".

LONG-RANGE PROGRAM

SEC. 4. Except as specified in section 14, no Federal financial assistance shall be provided pursuant to section 3 unless the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Such a program shall encourage, to the maximum extent feasible, the participation of private enterprise. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area.

GUARANTEED BOND PROGRAM

SEC. 5. (a) The Administrator, upon application of a State, local public body or agency thereof, is authorized, in accordance with the provisions of this Act—

(1) to guarantee the payment of so much of the interest and the repayment of so much of the principal on the revenue bonds of such State, local public body, or agency thereof as would, but for such guarantee, be unpaid when due; and

(2) upon such terms as he may prescribe, to make commitments to guarantee the payment of interest and principal of any such revenue bonds prior to the date of execution or sale thereof.

(b) Each contract of guarantee made under this Act shall run to, and shall be for the benefit of, the owners of such revenue bonds.

(c) The faith and credit of the United States is solemnly pledged to the payment of so much of the interest and to the repayment of so much of the principal on each revenue bond guaranteed or committed to be guaranteed under this Act as would, but for the guarantee provided for by this Act, be unpaid, when due.

(d) The Administrator shall not enter into any contract of guarantee (or of commitment to guarantee) under this Act if such contract, when taken together with other contracts of guarantee outstanding under this Act, would guarantee the payment of bonds exceeding $375,000,000.

(e) The Administrator shall charge in connection with every contract of guarantee under this Act a premium equal to one-quarter of 1 per centum of the face value of the bonds so guaranteed.

SEC. 6. To be eligible for a guarantee under this Act, any revenue bond shall—

(1) expressly state on its face that the State, local public body, or agency thereof issuing said bond has waived the normal status of said bond as exempt from the provisions of the Federal income tax laws, and the interest on any bond expressing such waiver shall not be exempt from taxation under the Federal income tax laws;

(2) be issued for the purpose of securing funds for a program (as described in sections 3(a) and 4) approved by the Administrator, and at least 25 per centum of the financing of such program shall be by bonds or securities not guaranteed under this Act, so that the federally guaranteed portion shall not constitute more than 75 per centum of the total cost of the program;

(3) bear interest at an average interest rate approved by the Administrator and have a maturity date not in excess of fifty years;

(4) be determined by the Administrator to be of such sound value or so secured as reasonably to assure the punctual payment of principal and interest on the date or dates such payments are due and payable; and

(5) be issued under a trust indenture duly entered into between the State, local public body, or agency thereof and a corporate trustee approved by the Administrator containing all of the provisions required by section 7 of this Act and such other provisions as may be required by the Administrator and as may be agreed upon between such State, local public body or agency thereof and the trustee.

SEC. 7. (a) A trust indenture or supplemental trust indenture under which revenue bonds guaranteed under this Act are issued shall include provisions satisfactory to the Administrator—

(1) requiring the State, local public body, or agency thereof to insure that the mass rapid transit system or those portions thereof financed with the proceeds of the bonds is properly operated, kept at all times in good repair, working order, and condition, and that all lawful claims for labor, materials, and supplies or other charges are discharged and paid;

(2) requiring the State, local public body, or agency thereof to insure that the rates, fares, tolls, rentals, or other charges in connection with the services and facilities furnished from the mass rapid transit system, or any part thereof, financed from part or all of the proceeds of the bonds, are at least sufficient to pay the principal of and interest on the bonds as they become due and payable, together with all expenses of operation, maintenance, and repair of the system;

(3) requiring the State, local public body, or agency thereof to punctually pay or cause to be paid from its revenues the principal of all guaranteed revenue bonds and the interest thereon on the date or dates, at the place or places, and in the manner specified in the bonds; and

(4) providing for the systematic accumulation of revenues for the payment of the principal of all guaranteed revenue bonds and the interest thereon, which provisions shall be designed to assure that the State, local public body, or agency thereof, or the trustee of the trust indenture or supplemental trust indenture under which the guaranteed revenue bonds were issued, shall have accumulated revenues on or before the fifteenth day prior to the date or dates on which any installment of principal or interest becomes due and payable sufficient to pay in full such installment of principal or interest.

(b) Any such trust indenture or supplemental trust indenture shall also include provisions satisfactory to the Administrator requiring that in the event the State, local public body, or agency thereof has not, on the fifteenth day prior to the date or dates on which any installment of principal or interest becomes due and payable, accumulated, in the manner provided in paragraph (4) subsection (a) of this section, revenues sufficient to pay in full such installment of principal or interest, the State, local public body, or agency thereof, or the trustee of the trust indenture or supplemental trust indenture under which the guaranteed revenue bonds were issued, shall forthwith make and serve upon the Administrator a written demand for the amount of money needed to pay in full such installment of principal or interest less the amount of revenues then accumulated for the payment of that installment of principal or interest. Such written demand shall be accompanied by a note made payable to the Federal transit revenue bond guarantee fund, created by section 10 of this Act, which shall constitute a binding obligation of the State, local public body, or agency thereof, as determined by the Administrator, and shall be in a principal amount equal to the amount of money demanded of the Administrator. Such note shall mature on or before a date six months following the date established for the retirement of the guaranteed revenue bond issue or, in case any prior note or notes are then held by the Secretary, on or before a date six months following the date of maturity of the prior note of latest maturity. Such note shall bear interest at a rate one-quarter of 1 per centum per annum higher than the average net interest cost of the entire guaranteed revenue bond issue, and shall be payable at maturity: *Provided*, That in no event should the interest rate of the notes so obtained be less than the interest rate accruing on Federal borrowings, as determined by the Secretary of the Treasury on the obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the notes. Nothing in this section shall preclude the Administrator from taking any remedial action otherwise available.

SEC. 8. Within ten days from the date of any demand made by a State, local public body, or agency thereof or trustee pursuant to the trust indenture provision required by section 7 of this Act, the Administrator shall

pay to the trustee of the trust indenture or supplemental trust indenture under which the guaranteed revenue bonds were issued the amount of money specified in the demand, which money shall be applied by the trustee to the payment of the installment of principal or interest (or both) for which such money was demanded. Any money required to be paid by the Administrator to the trustee pursuant to this section shall be paid in funds good to the trustee on the payment date.

SEC. 9. The Administrator may, by rule or regulation, require States, local public bodies, or agencies thereof having outstanding revenue bonds guaranteed under this Act to submit to the Administrator from time to time such reports as in the opinion of the Administrator are necessary or desirable to enable the Administrator to anticipate in advance possible demands which may be made upon the Administrator for moneys required to be paid by the Administrator under section 8 of this Act.

SEC. 10. There is created a Federal transit revenue bond guarantee fund (hereinafter referred to as the "fund") which shall be used by the Administrator as a revolving fund for carrying out the provisions of this Act relating to the guarantee of revenue bonds and for the administrative expenses in connection therewith. All premiums and earnings on the assets of the fund shall be credited to the fund. Any moneys required to be paid by the Administrator under section 8 of this Act, and all administrative expenses in connection with the guarantee of revenue bonds under this Act, shall be paid from the fund; and there is authorized to be appropriated to the fund such sums as may be necessary to make such payments. The faith and credit of the United States is solemnly pledged to the payment of all moneys required to be paid by the Administrator under section 8 of this Act. Moneys in the fund not needed for current operations under this Act shall be deposited with the Treasurer of the United States to the credit of the fund or invested in bonds or other obligations of, or guaranteed as to principal and interest by, the United States.

SEC. 11. The Administrator is authorized and directed to make such rules and regulations as may be deemed necessary or appropriate to carry out the purposes and provisions of this Act: *Provided*, That no provisions of this Act shall be construed to authorize the Administrator to regulate in any manner the mode of operation of any mass rapid transit system or the rates, fares, tolls, rentals, or other charges fixed or prescribed by any State, local public body, or agency thereof.

SEC. 12. The limitations and restrictions on the powers of national banking associations contained in paragraph "Seventh" of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), as to dealing in, underwriting, and purchasing for their account investment securities shall not apply to revenue bonds of a State, local public body, or agency thereof which are guaranteed by the Administrator under this Act.

GRANT PROGRAM

SEC. 13. (a) The Administrator shall estimate what portion of the cost of a project to be assisted under section 3 of this Act cannot be reasonably financed from revenues—which portion shall hereinafter be called "net project cost." The Federal grant for such a project shall not exceed two-thirds of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant. In determining net project cost for any project to be assisted under section 3, any estimate of revenues shall not be reduced by any amount to be allocated as a reserve for replacement of equipment or facilities. No grant shall be made for any project pursuant to section 3 unless the Administrator determines that (1) there exists a commitment from non-Federal sources to supply the remainder of the net project cost, and (2) the Federal Government's interest in the project is adequately protected in the event of a default or a failure to complete such project.

(b) To finance grants under this Act there is hereby authorized to be appropriated at any time after its enactment not to exceed $75,000,000 for fiscal years 1963 and 1964; $150,000,000 for fiscal year 1965; and $150,000,000 for fiscal year 1966. Any amount so appropriated shall remain available until expended; and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), as amended, to make advance or progress payments on account of any grant made pursuant to this Act.

(c) Any application under section 3 for a grant to assist any project for the provision of mass transportation service in an urban area shall include a schedule of fares, determined by the Administrator to be economically sound, and upon the basis of which the Administrator shall make his estimate of net project cost. If, at any time after the making of such grant while any revenue obligations issued to finance the project are outstanding, a change is effected in such schedule which the Administrator determines will substantially reduce revenues from the project and lessen the chances for an economically sound operation, he shall so notify the recipient of such grant. Thereafter, the Administrator shall not extend any assistance under any law administered by the Housing and Home Finance Agency (except pursuant to a commitment entered into prior to such notice) to finance in whole or in part any project to be undertaken in such area, until he determines that such schedule has been so revised, or that other action has been so taken, as to permit an economically sound operation.

EMERGENCY PROGRAM

SEC. 14. Prior to July 1, 1966, Federal financial assistance may be provided pursuant to section 3 where (1) the program for the development of a unified or officially coordinated urban transportation system, referred to in section 4, is under active preparation although not yet completed, (2) the facilities and equipment for which the assistance is sought can reasonably be expected to be required for such a system, and (3) there is an urgent need for their preservation or provision. The Federal grant for such a project shall not exceed one-half of the net project cost: *Provided*, That where a Federal grant is made on such a one-half basis, and the planning requirements specified in section 4 are fully met within a three-year period after the execution of the grant agreement, an additional grant may then be made to the applicant equal to one-sixth of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refunds or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS

SEC. 15. (a) The Administrator is authorized to undertake research, development, and demonstration projects in all phases of urban mass transportation (including the development, testing, and demonstration of new facilities, equipment, techniques, and methods) which he determines will assist in the reduction of urban transportation needs, the improvement of mass transportation service, or the contribution of such service toward meeting total urban transportation needs at minimum cost. He may undertake such projects independently or by contract (including working agreements with other Federal departments and agencies). In carrying out the provisions of this section, the Administrator is authorized to request and receive such information or data as he deems appropriate from public or private sources.

(b) The Administrator may make available to finance projects under this section not to exceed $10,000,000 of the mass transportation grant authorization provided in section 13(b), which limit shall be increased to $20,000,000 on July 1, 1964, and to $30,000,000 on July 1, 1965. In addition, notwithstanding the provisions of section 4 of this Act or of section 103(b) of the Housing Act of 1949, the unobligated balance of the amount available for mass transportation demonstration grants pursuant to the proviso in such section 103(b) shall be available solely for financing projects under this section.

(c) Nothing contained in this section shall limit any authority of the Administrator under section 602 of the Housing Act of 1956 or any other provision of law.

(d) No part of any appropriated funds may be expended pursuant to authorization given by this Act for any technological research or development activity unless such expenditure is conditioned upon provisions determined by the Administrator, with the approval of the Attorney General, to be effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity will (with such exceptions and limitations as the Administrator may determine after consultation with the Secretary of Defense to be necessary in the interest of the national defense) be made freely and fully available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity of any right which that owner may have under that patent.

RELOCATION REQUIREMENTS AND PAYMENTS

SEC. 16. (a) No financial assistance shall be extended to any project under section 3 unless the Administrator determines that an adequate relocation program is being carried on for families displaced by the project and that there are being or will be provided (in the same area or in other areas generally not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the displaced families) an equal number of decent, safe, and sanitary dwellings available to those displaced families and reasonably accessible to their places of employment.

(b) Notwithstanding any other provision of this Act, financial assistance extended to any project under section 3 may include grants for relocation payments, as herein defined. Such grants may be in addition to other financial assistance for the project under section 3, and no part of the amount of such relocation payments shall be required to be contributed as a local grant. The term "relocation payments" means payments by the applicant to individuals, families, business concerns, and nonprofit organizations for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit, for which reimbursement or compensation is not otherwise made, resulting from their displacement by the project. Such payments shall be made subject to such rules and regulations as may be prescribed by the Administrator, and shall not exceed $200 in the

case of an individual or family, or $3,000 (or if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization. Such rules and regulations may include provisions authorizing payment to individuals and families of fixed amounts (not to exceed $200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

COORDINATION OF FEDERAL ASSISTANCE FOR HIGHWAYS AND FOR MASS TRANSPORTATION FACILITIES

SEC. 17. (a) In order to assure coordination of highway and railway and other mass transportation planning and development programs in urban areas, particularly with respect to the provision of mass transportation facilities in connection with federally assisted highways (including the acquisition of land and the acquisition or construction of improvements in advance of such use), the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and shall exchange information and otherwise cooperate with respect to the planning, financing, and construction of proposed projects in urban areas.

(b) In order to be assured that proposed projects will not unnecessarily disrupt or otherwise have a deleterious effect (of a temporary or permanent nature) upon rail or motor carriers currently engaged in interstate commerce and subject to regulation by the Interstate Commerce Commission, the Administrator shall consult with the Chairman of the Interstate Commerce Commission with respect to proposed projects affecting interstate transportation, and the Administrator and the Chairman of the Interstate Commerce Commission shall exchange information and otherwise cooperate with respect to such projects.

GENERAL PROVISIONS

SEC. 18. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsections (c)(2) and (f), of the Housing Act of 1950. Subject to the provisions of section 10, funds obtained or held by the Administrator in connection with the performance of his functions under this Act shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

(b) To insure that small business concerns are given an equitable opportunity to share in all procurement aspects of any project for which a loan or grant is made under this Act, the Administrator shall cooperatively develop with the Small Business Administration within four months after the effective date of this paragraph a small business contracting program to be applicable to all such projects. The program shall contain such provisions as may be necessary to (1) enable small business concerns to have an equitable opportunity to compete, either directly or as subcontractors, for contracts and procurements for property and services awarded in the implementation and effectuation of the purposes of this Act, and (2) enable the Small Business Administration to obtain from the local public bodies and mass transportation companies such reasonably obtainable information concerning contracts and procurement, including subcontracts thereunder, awarded in the implementation and effectuation of the purposes of this Act.

(c) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan, grant, or guarantee is made under this Act, entered into by applicants under other than competitive bidding procedures as defined by the Administrator, shall provide that the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the contracting parties that are pertinent to the operations or activities under such contracts.

(d) As used in this Act—

(1) the term "States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States;

(2) the term "local public bodies" includes municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State;

(3) the term "Administrator" means the Housing and Home Finance Administrator;

(4) the term "urban area" means any area that includes a municipality or other built-up place which is appropriate, in the judgment of the Administrator, for a public transportation system to serve commuters or others in the locality taking into consideration the local patterns and trends of urban growth; and

(5) the term "mass transportation" means transportation by bus or rail or other conveyance, either publicly or privately owned, serving the general public and moving over prescribed routes, but does not include charter or sightseeing service, or aircraft or steamship service (other than ferrying service).

(e) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the funds necessary to carry out all functions under this Act except loans under section 3. All funds appropriated under this Act for other than administrative expenses shall remain available until expended.

(f) Except as otherwise provided in this subsection, contracts for grants under section 3 (other than relocation payments in accordance with section 16(b)) for projects in any one State shall not exceed in the aggregate 12½ per centum of the amount of grant funds appropriated under the authority contained in section 13(b). The Administrator may make additional contracts for such grants (subject to the limitations prescribed in section 13(b)) aggregating not to exceed 10 per centum of the amount appropriated, but such additional contracts for grants for projects in any one State shall not exceed in the aggregate 1 per centum of the amount appropriated. In the case of any project undertaken in two or more States, in accordance with a duly approved compact or other agreement, the Administrator may apply the foregoing limitations by allocating any portion of the grants contracted for such project to any one or more of such States.

(g) The Administrator shall make an annual report to the President for submission to the Congress on the administration of this Act. Such report shall indicate to whom financial assistance has been extended pursuant to this Act, the purposes for which such assistance is to be utilized, and the amounts involved, and may include such other information, comments, and recommendations as the Administrator deems appropriate.

(h) The first sentence of section 814 of the Housing Act of 1954, as amended (42 U.S.C. 1434), is amended by—

(1) inserting after "grant,", the first place it appears, the following: "guaranteed revenue bond issue,";

(2) inserting after "grant,", the second place it appears, the following: "guaranteed revenue bond issue (including the revenues from which the bonded indebtedness is to be repaid),"; and

(3) inserting after "grant,", the third place it appears, the following: "guaranteed revenue bond issue,".

LABOR STANDARDS

SEC. 19. (a) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Administrator shall not approve any such loan or grant without first obtaining adequate assurance that these labor standards will be maintained upon the construction work.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, 40 U.S.C. 276c).

(c) It shall be a condition of the granting of any assistance or the financing of any project under this Act that fair and equitable arrangements are made, as determined jointly by the Administrator and the Secretary of Labor, to protect the interests of employees affected by such assistance or financing. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including the continuation of pension rights and benefits of all beneficiaries) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining in any situation where it now exists; (3) the protection of individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to the provisions of section 5(2)(f) of the Interstate Commerce Act; (4) assurances of employment to employees of acquired mass transportation systems by the acquiring or operating entities, and priority of employment or reemployment of employees terminated or laid off; and (5) paid training or retraining programs. The contract for the granting of such assistance shall specify the terms and conditions of such protective arrangements.

AIR POLLUTION CONTROL

SEC. 20. In providing financial assistance to any project under section 3, the Administrator shall take into consideration whether the facilities and equipment to be acquired, constructed, reconstructed, or improved will be designed and equipped to prevent and control air pollution in accordance with any criteria established for this purpose by the Secretary of Health, Education, and Welfare.

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

The Clerk read as follows:

Amendment offered by Mr. RAINS: Strike out all after the enacting clause and insert in lieu thereof the provisions contained in the bill H.R. 3881 as passed by the House, as follows:

"That this Act may be cited as the 'Urban Mass Transportation Act of 1964.'

"FINDINGS AND PURPOSES

"SEC. 2. (a) The Congress finds—

"(1) that the predominant part of the Nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary

lines of local jurisdictions and often extend into two or more States;

"(2) that the welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highways, and other federally aided programs are being jeopardized by the deterioration or inadequate provision of urban transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis; and

"(3) that Federal financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

"(b) The purposes of this Act are—

"(1) to assist in the development of improved mass transportation facilities, equipment, techniques, and methods, with the cooperation of mass transportation companies both public and private;

"(2) to encourage the planning and establishment of areawide urban mass transportation systems needed for economical and desirable urban development, with the cooperation of mass transportation companies both public and private; and

"(3) to provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs.

"FEDERAL FINANCIAL ASSISTANCE

"SEC. 3. (a) In accordance with the provisions of this Act, the Administrator is authorized to make grants or loans (directly, through the purchase of securities or equipment trust certificates, or otherwise) to assist States and local public bodies and agencies thereof in financing the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas and in coordinating such service with highway and other transportation in such areas. Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and other real or personal property needed for an efficient and coordinated mass transportation system. No grant or loan shall be provided under this section unless the Administrator determines that the applicant has or will have (1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment. No such funds shall be used for payment of ordinary governmental or nonproject operating expenses.

"(b) No loan shall be made under this section for any project for which a grant is made under this section, except grants made for relocation payments in accordance with section 7(b). Loans under this section shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955. The authority provided in section 203 of such Amendments to obtain funds for loans under clause (2) of section 202(a) of such Amendments shall (except for undisbursed loan commitments) hereafter be exercised by the Administrator (without regard to the proviso in section 202(d) of such Amendments) solely to obtain funds for loans under this section.

"(c) No financial assistance shall be provided under this Act to any State or local public body or agency thereof for the purpose, directly or indirectly, of acquiring any interest in, or purchasing any facilities or other property of, a private mass transportation company, or for the purpose of constructing, improving, or reconstructing any facilities or other property acquired (after the date of the enactment of this Act) from any such company, or for the purpose of providing by contract or otherwise for the operation of mass transportation facilities or equipment in competition with, or supplementary to, the service provided by an existing mass transportation company, unless (1) the Administrator finds that such assistance is essential to a program, proposed or under active preparation, for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the urban area, (2) the Administrator finds that such program, to the maximum extent feasible, provides for the participation of private mass transportation companies, (3) just and adequate compensation will be paid to such companies for acquisition of their franchises or property to the extent required by applicable State or local laws, and (4) the Secretary of Labor certifies that such assistance complies with the requirements of section 10(c) of this Act.

"LONG-RANGE PROGRAM

"SEC. 4. (a) Except as specified in section 5, no Federal financial assistance shall be provided pursuant to section 3 unless the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Such program shall encourage to the maximum extent feasible the participation of private enterprise. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area. The Administrator, on the basis of engineering studies, studies of economic feasibility, and data showing the nature and extent of expected utilization of the facilities and equipment, shall estimate what portion of the cost of a project to be assisted under section 3 cannot be reasonably financed from revenues—which portion shall hereinafter be called 'net project cost'. The Federal grant for such a project shall not exceed two-thirds of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

"(b) To finance grants under this Act there is hereby authorized to be appropriated at any time after its enactment not to exceed $75,000,000 for fiscal year 1965; $150,000,000 for fiscal year 1966; and $150,000,000 for fiscal year 1967. Any amount so appropriated shall remain available until expended; and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant made pursuant to this Act.

"EMERGENCY PROGRAM

"SEC. 5. Prior to July 1, 1967, Federal financial assistance may be provided pursuant to section 3 where (1) the program for the development of a unified or officially coordinated urban transportation system, referred to in section 4(a), is under active preparation although not yet completed, (2) the facilities and equipment for which the assistance is sought can reasonably be expected to be required for such a system, and (3) there is an urgent need for their preservation or provision. The Federal grant for such a project shall not exceed one-half of the net project cost: *Provided*, That where a Federal grant is made on such a one-half basis, and the planning requirements specified in section 4(a) are fully met within a three-year period after the execution of the grant agreement, an additional grant may then be made to the applicant equal to one-sixth of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

"RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS

"SEC. 6 (a) The Administrator is authorized to undertake research, development, and demonstration projects in all phases of urban mass transportation (including the development, testing, and demonstration of new facilities, equipment, techniques, and methods) which he determines will assist in the reduction of urban transportation needs, the improvement of mass transportation service, or the contribution of such service toward meeting total urban transportation needs at minimum cost. He may undertake such projects independently or by contract (including working agreements with other Federal departments and agencies). In carrying out the provisions of this section, the Administrator is authorized to request and receive such information or data as he deems appropriate from public or private sources.

"(b) The Administrator may make available to finance projects under this section not to exceed $10,000,000 of the mass transportation grant authorization provided in section 4(b), which limit shall be increased to $20,000,000 on July 1, 1965, and to $30,000,000 on July 1, 1966. In addition, notwithstanding the provisions of section 4 of this Act or of section 103(b) of the Housing Act of 1949, the unobligated balance of the amount available for mass transportation demonstration grants pursuant to the proviso in such section 103(b) shall be available solely for financing projects under this section.

"(c) Nothing contained in this section shall limit any authority of the Administrator under section 602 of the Housing Act of 1956 or any other provision of law.

"RELOCATION REQUIREMENTS AND PAYMENTS

"SEC. 7. (a) No financial assistance shall be extended to any project under section 3 unless the Administrator determines that an adequate relocation program is being carried on for families displaced by the project and that there are being or will be provided (in the same area or in other areas generally not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the displaced families) an equal number of decent, safe, and sanitary dwellings available to those displaced families and reasonably accessible to their places of employment.

"(b) Notwithstanding any other provision of this Act, financial assistance extended to any project under section 3 may include grants for relocation payments, as herein defined. Such grants may be in addition to other financial assistance for the project under section 8, and no part of the amount of such relocation payments shall be required to be contributed as a local grant. The term "relocation payments" means payments by the applicant to individuals, families, business concerns, and nonprofit organizations for their reasonable and necessary moving expenses and any actual direct losses of property, except goodwill or profit, for which

reimbursement or compensation is not otherwise made, resulting from their displacement by the project. Such payments shall be made subject to such rules and regulations as may be prescribed by the Administrator, and shall not exceed $200 in the case of an individual or family, or $3,000 (or if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization. Such rules and regulations may include provisions authorizing payment to individuals and families of fixed amounts (not to exceed $200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

"COORDINATION OF FEDERAL ASSISTANCE FOR HIGHWAYS AND FOR MASS TRANSPORTATION FACILITIES

"SEC. 8. In order to assure coordination of highway and railway and other mass transportation planning and development programs in urban areas, particularly with respect to the provision of mass transportation facilities in connection with federally assisted highways, the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and shall exchange information on proposed projects in urban areas.

"GENERAL PROVISIONS

"SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsections (c)(2) and (f), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this Act shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

"(b) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act, entered into by applicants under other than competitive bidding procedures as defined by the Administrator, shall provide that the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the contracting parties that are pertinent to the operations or activities under such contracts.

"(c) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act shall provide that in the performance of the work the contractor shall use only such manufactured articles as have been manufactured in the United States.

"(d) As used in this Act—

"(1) the term 'States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the posessions of the United States;

"(2) the term 'local public bodies' includes municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State;

"(3) the term 'Administrator' means the Housing and Home Finance Administrator;

"(4) the term 'urban area' means any area that includes a municipality or other built-up place which is appropriate, in the judgment of the Administrator, for a public transportation system to serve commuters or others in the locality taking into consideration the local patterns and trends of urban growth; and

"(5) the term 'mass transportation' means transportation by bus or rail or other conveyance, either publicly or privately owned, serving the general public (but not including school buses or charter or sightseeing service) and moving over prescribed routes.

"(e) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the funds necessary to carry out all functions under this Act except loans under section 3. All funds appropriated under this Act for other than administrative expenses shall remain available until expended.

"(f) None of the provisions of this Act shall be construed to authorize the Administrator to regulate in any manner the mode of operation of any mass transportation system with respect to which a grant is made under section 3 or, after such grant is made, to regulate the rates, fares, tolls, rentals, or other charges fixed or prescribed for such system by any local public or private transit agency; but nothing in this subsection shall prevent the Administrator from taking such actions as may be necessary to require compliance by the agency or agencies involved with any undertakings furnished by such agency or agencies in connection with the application for the grant.

"LABOR STANDARDS

"SEC. 10. (a) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Administrator shall not approve any such loan or grant without first obtaining adequate assurance that required labor standards will be maintained upon the construction work.

"(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

"(c) It shall be a condition of any assistance under this Act that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5(2)(f) of the Act of February 4, 1887 (24 Stat. 379), as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.

"AIR POLLUTION CONTROL

"SEC. 11. In providing financial assistance to any project under section 3, the Administrator shall take into consideration whether the facilities and equipment to be acquired, constructed, reconstructed, or improved will be designed and equipped to prevent and control air pollution in accordance with any criteria established for this purpose by the Secretary of Health, Education, and Welfare.

"STATE LIMITATION

"SEC. 12. Grants made under section 3 (other than grants for relocation payments in accordance with section 7(b)) for projects in any one State shall not exceed in the aggregate 12½ per centum of the aggregate amount of grant funds authorized to be appropriated pursuant to section 4(b)."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3881) was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PATMAN. Mr. Speaker, I ask consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill H.R. 3881, just passed, and include extraneous matter.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

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

H.J. Res. 1056. Joint resolution making continuing appropriations for the fiscal year 1965, and for other purposes.

LEGISLATIVE PROGRAM FOR WEEK OF JUNE 29

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time to ask the acting majority leader if he can tell us the program for the balance of this week and for next week.

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

Mr. HALLECK. I yield to the gentleman from Louisiana.

Mr. BOGGS. There is no further legislative program for the balance of this week, except for some measures from the Committee on Armed Services which will be called up by unanimous consent by the gentleman from Massachusetts [Mr. PHILBIN] for consideration later this afternoon.

On Monday the following measures from the Committee on Armed Services will be called up for consideration by unanimous consent:

H.R. 2509, authorizing Reserve officers to combine Reserve component service to

qualify for the uniform maintenance allowance.

H.R. 6299, authorizing the Secretary of the Navy to sell crude oil from Naval Petroleum Reserve No. 4, Alaska, for a limited time.

H.R. 8676, authorizing military departments to ship automobiles of Armed Forces personnel to and from State of Alaska.

H.R. 9634, authorizing the Secretary of Defense to assist the Girl Scouts at their 1964 encampment.

There will also be called up for consideration by unanimous consent the following measures from the Committee on Ways and Means:

H.R. 98, exportation of imported distilled spirits.

H.R. 4649, fruit-flavor concentrates in wine.

H.R. 4844, release of liability under bonds.

H.R. 5739, taxation of life insurance companies.

H.R. 7267, gasoline tax, aerial farm applicators.

H.R. 7301, collapsible corporations.

H.R. 10467, deductibility of accrued vacation pay.

H.R. 7307, apportionment of depletion allowance between parties to contracts for extraction of minerals other than oil or gas.

For Tuesday and the balance of the week, we will call up first the 1965 appropriation bill for foreign assistance and related agencies, which is the foreign aid appropriation bill.

There will also be considered House Resolution 789, to provide for the concurrence of the House of Representatives in the Senate amendment to H.R. 7152, the civil rights bill.

Conference reports may be brought up at any time, and we reserve the right to announce later any further program.

ADJOURNMENT UNTIL MONDAY, JUNE 29

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

Mr. GROSS. Reserving the right to object, Mr. Speaker, in the legislative program announced the gentleman did not mention the Powell-Landrum poverty bill.

Mr. BOGGS. That bill is not scheduled for next week.

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

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday next be dispensed with.

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

There was no objection.

AUTHORIZING CLERK OF THE HOUSE TO RECEIVE MESSAGES FROM THE SENATE

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONVEYANCE OF LAND IN SALT LAKE CITY, UTAH, TO SALT LAKE CITY BOARD OF EDUCATION

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9021) to authorize the conveyance of two tracts of land situated in Salt Lake City, Utah, to the Board of Education of Salt Lake City.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Salt Lake City, a municipal corporation of the State of Utah, is hereby authorized to grant and convey to the Board of Education of Salt Lake City, Utah, a tract of land situated between 8th South Street and Sunnyside Avenue, Salt Lake City, Utah, and more particularly described as follows:

Beginning at the southwest corner of the Mount Olivet Cemetery Association property (said point being 100 feet north from the original southwest corner of the Fort Douglas Military Reservation and in the north line of Sunnyside Avenue, Salt Lake City, Utah); running thence north 0 degrees 00 minutes 28 seconds east along the west line of the cemetery property 237.76 feet; thence southeasterly along the arc of a 573-foot radius curve to the right (tangent to which bears south 57 degrees 37 minutes 13 seconds east) a distance of 157.06 feet; thence south 41 degrees 49 minutes 59 seconds east 21.23 feet thence southeasterly along the arc of a 730.146-foot radius curve to the left, a distance of 183.86 feet, to a point in the south line of the cemetery property, which is the north line of Sunnyside Avenue; thence south 89 degrees 59 minutes 50 seconds west along said north line of Sunyside Avenue 272.77 feet to the point of beginning. Containing 0.75 acres.

SEC. 2. The Mount Olivet Cemetery Association of Salt Lake City, Utah, is hereby authorized to grant and convey to the Board of Education of Salt Lake City all right, title, and interest held by it in lands constituting a portion of Sunnyside Avenue in Salt Lake City, Utah, subject to the present public use thereof for street or highway purposes, which lands were granted to the said Mount Olivet Cemetery Association by the Act of January 23, 1909 (35 Stat. 589), and which lands are more particularly described as follows:

Beginning at the original southwest corner of the Fort Douglas Military Reservation, which is located in Salt Lake City, Utah, and running thence north 0 degrees 00 minutes 28 seconds east along the west line of said military reservation, a distance of 100.00 feet, to the north line of Sunnyside Avenue; thence north 89 degrees 59 minutes 50 seconds east along said line 272.77 feet to a point in a curve, tangent to which bears south 56 degrees 15 minutes 38 seconds east; thence southeasterly along said curve to the left having a radius of 730.146 feet, a distance of 94.71 feet to a point of intersection with the west line of 14th East Street produced north; thence south 0 degrees 02 minutes 40 seconds west 52.64 feet to the south line of Sunnyside Avenue; thence south 89 degrees 59 minutes 50 seconds west along said south line of Sunnyside Avenue which is also the south line of the said military reservation, a distance of 354.77 feet to the point of beginning, containing 0.77 acre, more or less.

SEC. 3. The deed of conveyance to the tract of land described in the first section of the Act shall contain a provision that such tract shall be used for school purposes only and that so long as the Board of Education of Salt Lake City uses the tract of land for such purposes, the reversionary clause set forth in the Act of January 23, 1909 (35 Stat. 589), shall not be operable with respect to such tract.

SEC. 4. The deed of conveyance to the tract of land described in section 2 of this Act shall contain a provision that such tract is subject to the present public use thereof for street or highway purposes and that when the street is legally vacated such tract shall be used for school purposes, and that so long as such tract is used for street or highway purposes or for school purposes the reversionary clause set forth in the Act of January 23, 1909 (35 Stat. 589), shall not be operable with respect to such tract.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PHILBIN. Mr. Speaker, H.R. 9021 is a bill which would permit the current holders of title to two contiguous parcels of land to convey an area totaling 1.52 acres to the School Board of Salt Lake City, Utah, for the purpose of expansion of the East High School in Salt Lake City.

These properties were originally separated from Fort Douglas under authority of an act of Congress of 1909. They have had no Federal military use since that time. They were originally released to the Mount Olivet Cemetery Association for the burial of the dead, and the Federal Government received property of an equal value in return for this conveyance. The conveyance, however, contained a reversionary clause providing that if the use of the land should change, the title would revert to the Government.

Public Law 292 of the 82d Congress, approved the transfer of some of the Mount Olivet land originally secured from the Federal Government to Salt Lake City for public highway purposes. The public law under which the conveyance of 2.18 acres was made to Salt Lake City, stayed the effect of the reversionary provision of the 1909 act for so long as the land was used for highway purposes.

This bill would permit the transfer of 0.75 of an acre from Salt Lake City and 0.77 of an acre from the Mount Olivet Cemetery Association to the Salt Lake City Board of Education. The bill continues the reversionary protection to the Federal Government if the land is not used for school purposes.

The earlier reversionary clauses contained in the acts and the deeds under the acts, require congressional approval of this new purpose.

DISPOSING OF PIG TIN FROM NATIONAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 300) authorizing the disposal of approximately 98,000 long tons of pig tin from the national stockpile.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress expressly approves, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (53 Stat. 811, as amended, 50 U.S.C. 98b(e)), the disposal from the national stockpile of approximately ninety-eight thousand long tons of pig tin.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PHILBIN. Mr. Speaker, the next bill to be considered by the committee is House Concurrent Resolution 300.

The purpose of this legislation is to provide congressional approval of the proposed disposition of 98,000 long tons of pig tin from the national stockpile.

As you are aware, the concurrence of Congress is required for proposed dispositions from the national stockpile when such disposal is not the result of a finding that the material is obsolescent for use during time of war.

This legislation was recommended by the executive branch.

The Committee on Armed Services has been advised that the national conventional stockpile objective on pig tin was determined to be 200,000 long tons. The amount in inventory is 330,000 long tons. Consequently, our national stockpile of pig tin is approximately 130,000 long tons in excess of our stockpile objectives.

I am also advised that previous authorization of pig tin disposal has not been completely accomplished. There is remaining 31,840 long tons of pig tin waiting for disposal action.

Inasmuch as the proposed disposal contemplates the sale of an additional 98,000 long tons of pig tin, this amount, together with the remaining approximately 32,000 tons, will completely eliminate the excess pig tin now in the national stockpile.

In June 1962, the Congress authorized the disposal of 50,000 long tons of tin. As of the end of May 1964, over one-half of this amount had been sold by the General Services Administration. Upon approval of this concurrent resolution, GSA will merge the unsold balance under the former authorization with this 98,000 long tons. The total excess will be disposed of over 6 to 8 years.

I call your attention to the fact that this is the first of a number of long-range disposal programs for materials in the stockpile having large excess inventories.

GSA assured the subcommittee it expects to dispose of approximately 20,000 long tons of tin during the first year of the program and will conduct an annual review of their disposal program.

The committee unanimously recommends approval of House Concurrent Resolution 300 without amendment.

SALE OF LEAD PURSUANT TO STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACT

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11257) to authorize the sale, without regard to the 6-month waiting period prescribed, of lead proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, it is my understanding, and will the gentleman substantiate it, that in this disposal of strategic materials which this bill provides for that the Government will, due to present marketing conditions, recover practically its investment in these various metals?

Mr. PHILBIN. The gentleman is correct.

Mr. GROSS. And that applies to all of them that are covered in these bills?

Mr. PHILBIN. That is true.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to sell, by negotiation or otherwise, to the domestic producers of lead at the fair market value thereof, approximately fifty thousand short tons of lead now held in the national stockpile. Such disposition may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, relating to dispositions on the basis of a revised determination pursuant to section 2 of said Act, to the effect that no such disposition shall be made until six months after publication in the Federal Register and transmission to the Congress and to the Armed Services Committees thereof of a notice of the proposed disposition, but in such disposition the Administrator of General Services shall comply with the other provisions of such section 3, particularly those which require that the plan and date of disposition shall be fixed with due regard to the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

With the following committee amendment:

On page 1, lines 4 and 5, strike out "to the domestic producers of lead".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PHILBIN. Mr. Speaker, the next bill to be considered by the committee is H.R. 11257.

This bill was introduced by our distinguished colleague and fellow member of the Armed Services Committee, the Honorable JAMES A. BYRNE, of Pennsylvania.

This bill, H.R. 11257, if enacted would authorize the disposal of 50,000 short tons of lead now held in the national stockpile to domestic producers of lead.

In addition, enactment of this legislation would waive the 6-month waiting period ordinarily required for disposals of this kind.

Subsequent to the introduction of this legislation, the Committee on Armed Services requested reports from the executive branch on its position in respect to the proposed disposal action.

The responses from the executive branch have indicated that while it favors the proposal to dispose of 50,000 tons of lead, to limit the sale of the 50,000 tons of lead to domestic producers of lead is unduly restrictive, and recommends that H.R. 11257 be amended so as to remove that limitation. With such an amendment, the executive branch favors the enactment of this legislation.

On June 17, 1963, the Office of Emergency Planning reduced the stockpile objective for lead from 286,000 short tons to zero.

As a result, the 1,378,453 short tons of lead now in the national stockpile is excess to present requirements.

The committee has been advised that lead is in extremely short supply. Consumption of lead has exceeded supply for over 2 years and, as a result, stocks of lead at primary refineries have been drawn down to cover the deficit. It is doubtful whether stocks can be drawn down much further without causing serious market disruptions.

Because of the short time factor involved between the introduction of this bill and the hearings before the subcommittee, General Services Administration in this instance, unlike the other disposals before the committee today, has not met with representatives of industry or devised a disposal plan.

In devising such a plan, however, all factors affecting the method of sale should be considered, such as the structure of the industry, industry practices, the size of the market, and market habits peculiar to the commodity involved with the result that to the extent possible and practical, disposal should be geared to the capabilities of all prospective buyers, including large and small business.

Since the bill contained a limitation that the disposal could be made only to the domestic producers of lead, the subcommittee agreed with the executive branch that the language was too restrictive and, by amendment, removed from the bill the words "to the domestic producers of lead" which appear beginning after the word "otherwise", on page 1, line 4 of the bill.

As amended, subcommittee unanimously recommends approval of H.R. 11257.

SALE OF ZINC PURSUANT TO STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACT

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11004) to authorize the sale, without regard to the 6-month waiting period prescribed, of zinc proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, approximately seventy-five thousand short tons of zinc now held in the national stockpile. Such disposition may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, relating to dispositions on the basis of a revised determination pursuant to section 2 of said Act, to the effect that no such disposition shall be made until six months after publication in the Federal Register and transmission to the Congress and to the Armed Services Committees thereof of a notice of the proposed disposition, but in such disposition the Administrator of General Services shall comply with the other provisions of such section 3, particularly those which require that the plan and date of disposition shall be fixed with due regard to the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. PHILBIN. Mr. Speaker, H.R. 11004 is a bill which, if enacted, would authorize disposal of 75,000 short tons of zinc now held in the national stockpile without regard to those provisions of law requiring a 6-month waiting period before effecting disposal.

The current conventional war stockpile objective for zinc, which was set on June 17, 1963, has been revised downward from 178,000 short tons to zero. As a result, the 1,580,740 short tons of zinc now in the national stockpile is excess to present requirements. Even though studies on nuclear war conducted by the Office of Emergency Planning have not been completed, the representative of OEP testified that he felt safe because of the size of the inventory, in recommending disposal of the 75,000 short tons of zinc as authorized by this bill.

Zinc, particularly in the higher grades, is in extremely short supply for use in the diecasting industry. Present consumption exceeds present production. Other consumers of zinc also indicated a serious shortage of this metal. For the past 2 years, U.S. consumption of zinc has exceeded domestic production by an average of about 100,000 short tons per year. To meet this requirement, we import approximately one-half of the smelting ore needed in the United States, and the zinc concentrate supplies from outside the United States are becoming increasingly tight.

Representatives of the General Services Administration assured the subcommittee that a plan for disposal of the 75,000 short tons of zinc had agreement generally from the producers, distributors and consumers of zinc. Basically, the plan for disposal is that the GSA will offer the 75,000 tons of zinc as a shelf-item, f.o.b the storage location, at prices to be fixed by GSA as a result of current market research and references to prices quoted in trade journals on a quota basis to recognized domestic producers of primary zinc who will agree to distribute the material on an equal basis to domestic consumers for domestic consumption. Also, an appropriate quantity will be set aside on a pro rata basis to be sold exclusively to independent alloyers of zinc who directly consume the material.

While there was some disagreement about the amount of zinc that the domestic industry requires, there was unanimity among industry and Government witnesses that 75,000 tons of zinc could be released immediately without disrupting or depressing the domestic market and that is adequate to supply the immediate requirement.

The committee recommends approval of H.R. 11004 without amendment.

Mr. HALL. 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 Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, I believe there is something basically wrong with a Government policy of releasing some of its stockpiled material every time a shortage develops, instead of letting the basic law of supply and demand set the prices of metals such as lead and zinc.

The Government plan to dispose of 75,000 tons of zinc and 50,000 tons of lead means that U.S. mines will not process this amount of these metals. If the prices of lead and zinc were to rise, as do most prices during a shortage, some mines might open up that otherwise would remain closed.

Under the present policy the Government is paying out money to some mines on low prices, under the Small Lead-Zinc Producers Act, and with the other hand the Government is importing ores under quotas, and so forth, or releasing lead-zinc from its stockpiles which holds down these prices.

Is it the proper role of the Government to preserve one part of an industry at the expense of another? The Midwest, for example, possesses untapped resources of lead known to most geologists and to the lead-zinc trade, but no effort is being made to mine these resources because of the encouragement given imports of these metals.

There are so many inconsistencies in our present policy that it surely needs an overall review and study. How can we say it is Government policy to dispose of Government stockpiles, when the current administration 2 years ago participated in a barter deal that resulted in the importation of 100,000 tons of lead in exchange for domestic surplus farm products? Does Government have the right to give the nod to one problem area at the expense of the other, instead of letting the marketplace be the determining factor? Quo vadis—the law of supply and demand?

DISPOSAL OF MOLYBDENUM FROM NATIONAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11235) to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 11 million pounds of molybdenum from the national stockpile.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of approximately eleven million pounds of molybdenum contained in molybdenum disulphide now held in the national stockpile. Such disposal may be made without regard to the provision of section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), that no disposition of materials held in the national stockpile shall be made prior to the expiration of six months after the publication in the Federal Register and the transmission to the Congress and to the Armed Services Committee of each House thereof of the notice of the proposed disposition required by said section 3(e).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PHILBIN. Mr. Speaker, the next bill for the consideration of the committee is H.R. 11235. This bill would authorize the disposal of approximately 11 million pounds of molybdenum from the national stockpile. In addition, enactment of this legislation will waive the statutory 6-month waiting period ordinarily required for disposals of this kind.

This is a legislative proposal of the executive branch. The Administrator of the General Services Administration has requested this action because of a revised determination that this quantity of molybdenum is no longer needed in the national stockpile.

The present objective in the national stockpile for molybdenum is 68 million pounds.

There is presently in the national stockpile inventory 79,043,336 pounds of molybdenum. Therefore, there is an excess of approximately 11 million pounds of molybdenum in the national stockpile.

The average acquisition cost of all molybdenum acquired for the stockpile was $1.06 per pound. Thus, the acquisition cost of the amount proposed for disposition under this legislation is slightly under $12 million.

It is my understanding that 90 percent of the total production of molybdenum for availability to the free world is obtained from the United States.

The free world demand for molybdenum in 1963 was in the order of 77 million pounds as compared to total production of approximately 73½ million pounds. Thus, the production of molybdenum has not kept pace with increased demands for this metal by industry.

Industry stocks of molybdenum are now at near-record low. Consequently, this disposal action can materially alleviate the existing market shortage of this material and at the same time provide an ideal opportunity for the Government to dispose of excess quantities of this material under favorable market conditions.

The 11 million pounds of molybdenum will be disposed of for domestic consumption only. The initial quantity to be offered for sale will be approximately 2 million pounds. The quantity and the timing of subsequent offerings will be determined after an evaluation has been made of earlier sales and of existing market conditions. The disposal program will be subject to continuous scrutiny throughout the year, and the Administrator of General Services will consult with other agencies at any time he considers such consultation is advisable, or at any time consultation is requested by other responsible agencies. If any major modification of the program appears to be necessary or advisable as a result of such consultation, the changes will be publicly announced.

The committee recommends approval of H.R. 11235 without amendment.

CIGARETTE LABELING AND ADVERTISING

Mr. TAYLOR. 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. TAYLOR. Mr. Speaker, yesterday the Federal Trade Commission issued a rule requiring that by next year all cigarette labels and advertising state that cigarette smoking is dangerous to health and may cause death from cancer and other diseases.

The rule stated that it is an unfair or deceptive practice for a manufacturer "to fail to disclose clearly and prominently in all advertising and on every pack, box, carton, or other container in which cigarettes are sold" that smoking is a health hazard.

Mr. Speaker, this is another case of a governmental agency exceeding its authority and invading the province of Congress.

The Federal Trade Commission Act gives the Commission authority only to prevent deceptive practices. What is deceptive in offering for sale a pack of cigarettes—a common commodity which has been on the market and familiar to all citizens for generations without saying anything about health factors involved. For many months, the press has given wide and full publicity to the dangers of smoking so that the people are now alerted to these dangers and are free to make their own decisions.

We can go only so far in telling our people what they can do and cannot do and this ruling goes too far. Carrying the reasoning of the Federal Trade Commission to its ultimate conclusion would require such a label on every article sold at a liquor store, on perhaps half the articles sold at drugstores, on the taxis and buses which operate on the streets of Washington and on every commercial airplane that flies.

Of course, we must give first consideration to the health of our citizens and we must make every effort to make smoking safer. We need to know what substances in tobacco smoke cause lung cancer or other disabilities. We need to know whether the cancer-producing compounds come from the nicotine in the tobacco or from the use of chemicals and fertilizer or from a combination of these or other factors.

The answer lies in research. If there are characteristics in the tobacco plant that should be strengthened or eliminated, we want to know what they are.

Extensive research is being conducted by the U.S. Department of Public Health, by State health departments, and by the American Medical Association, and legislation is now pending before Congress which would greatly increase this research.

It is premature to require health hazard labeling before the research and study is completed.

The Surgeon General, Dr. Luther L. Terry, has stated that he did not advocate such action by the Federal Trade Commission or Congress at this time and has questioned the authority of the Federal Trade Commission to take such action.

Today I introduced a bill which would postpone for 3 years the effective date of the order of the Federal Trade Commission. This would give us time to secure through research clearer evidence as to what is needed before drastic action is taken. The passage of this bill would prevent a long series of litigation which is bound to follow the Trade Commission rule.

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

Mr. TAYLOR. I yield to the gentleman from North Carolina.

Mr. BONNER. Mr. Speaker, I wish to join with the gentleman in his remarks on this subject.

ASIAN COUNTRIES GROSS OVER $276 MILLION ON LOTTERIES

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a table.

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

There was no objection.

Mr. FINO. Mr. Speaker, while we refuse to accept and recognize the normal gambling spirit of our own people, the rest of the world has found that lotteries not only bring gambling under government control but yield high revenues as well.

Throughout the entire world, 81 foreign countries utilize government-operated lotteries to tie the gambling urge of its people together with their need for additional revenue.

Today, I would like to bring to the attention of the Members of Congress, the tremendous success of the government lotteries in Asia. In 17 Asian countries, lotteries are used to satisfy the gambling thirst of its people as well as a revenue-raising device.

In 1963, these 17 Asian countries, listed below, took in gross receipts of over $276 million from its government-run lotteries. The net income to the government came to over $97 million. How were these gambling funds used? For hospitals, welfare, economic development, aged, housing, schools, and other worthwhile projects.

Mr. Speaker, why can we not show the same courage and wisdom here in the United States? Why can we not accept the indisputable fact that the urge to gamble is a universal human trait which should be regulated and controlled for our own benefit? Why can we not grasp this financial wisdom of our friends?

Our own national lottery in the United States can easily pump into the coffers of our Treasury over $10 billion a year. What are we waiting for?

Country	Gross receipts	Net income	Purpose used
1. Australia	$93,100,358	$29,340,064	Hospitals, welfare, and Sydney Opera House.
2. Burma	6,816,727	2,536,852	Central treasury.
3. Cambodia	16,000,000	4,500,000	National budget.
4. Ceylon	1,406,449	550,867	Economic development.
5. Hong Kong	1,446,900	578,760	Social welfare.
6. India [1]	9,240,000	5,600,000	General revenue.
7. Indonesia	26,666,666	16,000,000	Hospitals, students, and orphanages.
8. Japan	13,758,000	4,608,000	Public works, schools, and hospitals.
9. Laos [2]			
10. Malaysia	13,000,000	3,300,000	Rural development program.
11. Nepal [3]			
12. New Zealand	9,800,000	1,507,909	Aged, welfare, research, medicine.
13. Pakistan [4]	7,289,909	6,404,031	General development projects.
14. Philippines	12,374,617	5,054,270	Hospitals, Red Cross, Boy and Girl Scouts.
15. Republic of China	3,896,298	2,166,974	General purposes.
16. Thailand	36,000,000	6,120,000	General revenue.
17. Vietnam	26,000,000	8,800,000	Housing and agricultural centers.
Total	276,795,924	97,069,727	

[1] Prize bond lottery.
[2] Just established in September 1963; no figures available.
[3] Prize bond lottery expected to start July 1964.
[4] Prize bond lottery since 1960.

WHAT IS THE POLICY OF THE U.S. DEPARTMENT OF STATE?

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. SELDEN. Mr. Speaker, although I recognize that Mrs. Ngo Dinh Nhu has been a critic of some phases of U.S. foreign policy, I am still concerned over the arbitrary action of the Department of State in denying Mrs. Nhu entry into this country for the purpose of making a speech in New York.

The State Department has declared that Mrs. Nhu's proposed visit would not be in the "public interest." Considering the past list of foreign figures admitted to this country as guests—including Premier Khrushchev, Fidel Castro, Marshal Tito, Patrice Lumumba, and other Communist leaders—it is difficult to comprehend whose "public interest" the State Department seeks to protect. This latest arbitrary action supports the view that our State Department has a propensity for penalizing friends while pampering our enemies.

Who, then, are the self-declared censors in the State Department who set their own arbitrary standards for what constitutes the "public interest" of the American Government and the people? And what standards are applied to make such a determination? Who is it that views the visit of Communist leaders as in the "public interest," but denies the entry of the widow of a former member of a friendly government—a government which, whatever its weaknesses, was allied to our country in an effort to keep southeast Asia from going Communist?

I believe that the individuals responsible for this arbitrary decision, and the criteria by which the State Department measures "public interest," ought to be made known to the public itself. I have accordingly written Secretary of State Dean Rusk for clarification of this matter and for information concerning responsibility for his Department's ruling.

More than ever, at this critical time in our dealing with the southeast Asian situation, the American people are entitled to such information as might shed light on that area of the world and our policy there.

The essence of our system is that the people themselves can have access to information and ideas upon which to decide where their interests lie. And it is not for any censor, whether in the State Department or elsewhere in the Federal bureaucracy, arbitrarily to make such determinations.

CIVIL RIGHTS DISTURBANCES IN MISSISSIPPI

Mr. WINSTEAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. WINSTEAD. Mr. Speaker, since Philadelphia, Miss., is my hometown, I had hoped to have more specific information with reference to the uncertain fate of the three so-called civil rights workers in Mississippi before taking the floor of the House on this subject. I have been in touch with the sheriff of Neshoba County, the mayor of Philadelphia, Miss., as well as with Gov. Paul B. Johnson and other prominent citizens. The local officials are working in conjunction with the Governor and other Mississippi law enforcement officials to bring about the location of these three missing persons. It is the belief of many prominent citizens that this incident is part of a plan to bring discredit to the State of Mississippi. It was pointed out to me that before people of the community knew that a Negro church had been burned, calls were coming in from New York—as early as 6 a.m.—asking about the incident. Even the church-burning, some people believe, may be a hoax. At this time, however, no one actually knows whether there has been violence in this case. Yet, we must listen to Members like the gentleman from New York [Mr. FARBSTEIN] who just preceded me, expound on a subject they know nothing about. Would-be-spokesmen from the State of New York always seem to be the most vociferous critics of Mississippi. To be perfectly frank, I cannot see how any of them could have the intestinal fortitude to have anything at all to say concerning alleged criminal violence in my State in face of the "chamber of crime horrors" that have been emanating from New York City during the past few months. The numerous brutal rapes, maimings, and murders of white citizens by the Negro population of New York City have shocked the Nation. These things have been so shocking that even NAACP Secretary Roy Wilkins, found it expedient to deplore them. I suggest that those politicians who live in glass houses cease tossing political stones.

Mr. Speaker, it is indeed unfortunate that high officials of our Government and so-called church leaders have been instrumental in creating situations of this kind by encouraging activities which could lead to nothing short of violence. Prominent Mississippians have appealed to the President of the United States and to the Attorney General to take a hand in preventing agitator groups from going into Mississippi for the outspoken purpose of creating civil rights disturbances; however, these pleas have fallen on deaf ears. I submit, Mr. Speaker, that the fate of any group of agitators and troublemakers, whether in Mississippi or elsewhere, can be laid at the door of high Government officials who cater to pressure groups and who so enthusiastically offer "protection" at any time they decide to invade Mississippi and interfere in State and local affairs.

I do not condone violence in any form; however, the assassination of the late President Kennedy and the wounding of Gov. John Connally of Texas, the home State of President Lyndon B. Johnson, is an example that this can happen anywhere, despite the most elaborate precautions. If the Secret Service, the Federal Bureau of Investigation, along with security officers from the State of Texas, could not prevent the assassination of President Kennedy, how can the sheriff of a small town like Philadelphia, Miss., with only one deputy, be expected to insure the safety of hundreds of troublemakers who may flood our area, unannounced and uninvited? All of us here are familiar with the terrible conditions which exist in New York City, and which I have already mentioned, and does it not seem strange that many of the agitator groups are residents of that city? If they are serious about the program in which they claim to believe, I would like to suggest that they use their talents to curb the vendetta of the Negroes in that city against the white law-abiding citizens. In face of these disgraceful conditions, however, it has been suggested by certain New York Members that Federal troops be sent to Mississippi to keep the peace. How ridiculous can one get? I would like to ask how acceptable a group of Mississippians would be in New York should they go there for the purpose of forcing our convictions and beliefs on the residents of that city? How long do they estimate the group would remain in New York before violence would occur? Would these same Members then suggest that Federal troops be dispatched to New York City to keep the peace? I say they would not.

Mr. Speaker, I would like to call the attention of this House to Peace Corps Director Sargent Shriver's remarks concerning Mississippi in a speech to the NAACP convention yesterday. In my opinion, according to press reports, Shriver willfully attempted to malign the good people of my State and of my hometown of Philadelphia, Miss. Not only was his speech ridiculous, in bad taste, and delivered for political reasons, but it can only serve to fan the flame of tension which has been brought about because of the invasion of these so-called civil rights workers in Mississippi. Mr. Shriver in an address to the NAACP convention described the current incident in Mississippi as "evidence of the poverty of American law, power, and spirit." He would have been more correct had he described these incidents as evidence of the poverty of party politics. I submit, Mr. Speaker, that Mr. Shriver is using his Peace Corps position for political expediency.

Mr. Shriver has dug up three cases—Emmett Till, Medgar Evers, and the civil rights workers—which have occurred in Mississippi over a long period of time and held them up to the Nation as typical happenings. I am certain that with very little digging in the files of Chicago crimes, Mr. Shriver could come up with hundreds of instances of racial violence which have occurred in his home city which would be worse than anything that has ever happened in Mississippi.

Shriver told the NAACP convention that there has not been one single incident of violence to a Peace Corps worker in any foreign country, but he neglected to inform them of one important fact; namely, that wherever these Peace Corps workers are sent, this is done at the invitation and with the approval of the country involved. I would like to point

out that Mississippi officials not only did not invite these self-styled missionaries to come to Mississippi, but implored that they not be sent there.

I call upon the President of the United States and the Attorney General to take immediate steps to prevent the movement of additional so-called civil rights workers or troublemakers into Mississippi.

COMMUNIST DECEPTION OF NEGRO CITIZENS

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

Mr. SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. WATSON. Mr. Speaker, the deceptive tactics and strategy of the Communist Party and other false prophets, which are now duping our Negro citizens, are not of recent origin. Rather, such deception has been employed since the first Communist infiltrated these United States. Recently I came across an article from the Communist Daily Worker, October 27, 1935, which strongly reinforces my belief that this deception is of long standing and the result of careful planning.

Should any of my esteemed colleagues here harbor doubts that passage of the so-called civil rights bill will play directly into the hands of the worldwide Communist conspiracy to control the world, surely the following article should serve to remove that doubt.

Careful reading of this article proves beyond a shadow of a doubt that this bill is, to the Communist mind, a vital and integral part of the party's long-range plan for overthrowing our form of government and the individual freedom which characterizes it.

The articles restates and reaffirms unequivocally the Communist objective of forcefully overthrowing capitalism, not only here in the United States, but throughout the world. Exploitation of the Negro and his so-called struggle for equality and opportunity play a definite part in the Communists' proposed destruction of capitalism especially in the United States, the article indicates.

The article follows:

THE STRUGGLE ON THE CONSUMERS' FRONT, A WEAPON FOR EDUCATING THE NEGRO PEOPLE—COOPERATIVES AND CLUBS OF HOUSEWIVES WILL FIND FERTILE FIELD

(By Otto Hall and Ben Davis, Jr.)

Within the next few months, a national Negro congress will convene in Washington. It is expected that this congress will bring to the National Capital delegates representing a broad cross section of Negro life in America, men and women from labor, social, fraternal, religious, farm, business, political, and professional organizations from every section of the country. These people will take up questions concerning, and devise means of remedying, the intolerable conditions affecting the Negro in this country. Because of the broad aspects of this congress, and the fact that Negro labor will play an important role in the formulation of any program affecting the Negro people, it is necessary for the workers in the revolutionary movement, who constitute the most advanced section of the working class, to have a clear understanding of the Communist position on certain questions that will be discussed at this congress.

In this article we shall take up several questions concerning which there is considerable confusion in our movement. We refer here to the Communist Party position on business enterprises and cooperatives among Negroes. Just what should be our attitude toward Negro business? Should we discourage all efforts of Negroes to establish their own business enterprises? Here we must consider the position of the Negro people in the United States in relation to the rest of the population. The Negroes are an oppressed national minority, and because of their peculiar historical development in this country, their strides toward the achievement of a complete nation were halted before they were well on the way. The position of the powers-that-be of the dominant group was established and the basis for their industrial and financial control was laid while the Negroes were still under the oppressive yoke of chattel slavery. Therefore, after their so-called emancipation, the Negro people found that they had arrived on the scene too late.

The assets of all the Negro business enterprises in the United States put together are only a drop in the bucket compared to the Wall Street financial industrial monopoly. The Wall Street bankers and industrialists control all the sources of raw material, basic industries, manufactured commodities, credits, etc., and through this control force the Negroes to be dependent upon them. It is well known that wherever the monopoly capitalists are in control of the economic situation the tendency is to tighten rather than loosen their stranglehold over the people they dominate.

NEGRO STRUGGLE FOR PLACE IN THE SUN

This does not mean however, that the Negroes have not struggled nor should they cease to struggle to find their place in the sun. We Communists though, point out that the setting up of business enterprises in the Negro ghettos, even if these could be established on a wide scale, is not a solution of the problems facing the Negro people. We hope it is clear here, that the Communist Party is not going to change itself into an institution for the promotion of private business enterprises. We are still going to carry through our program of struggle to abolish capitalism and set up a workers' and farmers' government. On the other hand we do not deny the right of an oppressed national group to set up their own business wherever possible. Furthermore, we Communists fight against any attempt to discriminate against business enterprises because they happen to be owned by Negroes.

It is perfectly natural that Negroes should attempt to seek a way out of the dilemma in which they find themselves at this time. They, more than any other section of the population, are the most affected by this long and terrible crisis. In proportion to their numbers they have the greatest percentage of unemployed, and get less relief. Those who are lucky enough to have jobs get the lowest pay, and worse still have to live cooped up in disease-breeding ghettos, where they are forced to pay exorbitant rents. Thus, the Negroes are not only superexploited at the point of production, but also at the point of consumption. This condition prevails in practically every place where Negroes are Jim Crowed into dilapidated congested sections of the city.

It is in Harlem, widely known as the Negro center of the world, that these conditions exist in their most acute form. It is estimated that over 300,000 Negroes are here crowded into a comparatively small section of the city. Eighty percent of these people are without jobs and those that are on relief get the smallest amount, compared to other sections of the city. Not only this, they pay first-grade prices for third-grade meat, usually the offscouring from the markets in other sections of the city; are sold decayed, germ-laden vegetables and other food products that the merchants who infest this community wouldn't think of eating themselves. The majority of the landlords and merchants who operate in Harlem are white and do not live in the community where they do business. Naturally, they have no interest there except to bleed it dry. Most of them refuse to employ Negroes and those that are employed are, in the main, given the most menial jobs. This wholesale discrimination against Negroes, even in the section where they are forced to live, was one of the main factors causing the desperate outbreak in Harlem on March 19, of this year. There is bound to be a feeling of resentment among the Negroes against these conditions and a bitter hatred toward the merchants and landlords whom they hold responsible for their plight. The Negro's cup is overflowing. Harlem is a seething volcano that might erupt at any time.

NEGRO DEMAGOGS ACTIVE

All this is grist in the mill for those self-seeking reactionary Negro demagogs who are trying to use this feeling of justified resentment among the Negroes to their own advantage. One of the many panaceas they offer is that Negroes should establish their own businesses, as a cure-all for their desperate economic plight. These "medicine makers" tell the Negro that if enough Negro business institutions can be established in Harlem, plenty of jobs will be created and all their problems solved. We certainly would like to see more business enterprises controlled by Negroes in Harlem and elsewhere. For an oppressed minority, this is a progressive step but by no means a solution of the Negro question.

Negro competition would raise the quality of the goods sold in the vicinity to higher standards and would tend to increase their self-respect. But we know that the dire poverty of the Negroes precludes the possibility of carrying through this program on any effective scale. Even if the majority of the business in Harlem was in the hands of the Negroes, this would help only a small percentage of the population. The roots of this problem lie much deeper than Negro speakers would have us believe. The top rungs of the economic ladder, upon which we are trying to climb, are so high and the odds we face so great, that we cannot make the grade alone. We can only achieve our national liberation through the iron unity of the Negro and white workers, a unity that will weld a force strong enough to smash through this capitalist prison wall that hems us in.

We Communists cannot overcome the demagogy of the Negro reformist by merely putting forward our ultimate program, no matter how correct it may be. What we must realize is that the acuteness of the economic condition of the Negroes is such, that they are being driven to such desperation and therefore are willing to snatch at any will-o'-the-wisp dangled before them by these charlatans. It, therefore, behooves us to come forward with a positive program that will insure the necessary steps toward the amelioration of these conditions. We have shown how the Negroes are exploited at the point of consumption.

PROBLEMS OF COOPERATIVES

We can bring forward as a more practical step toward the alleviation of some of the problems facing the Negro consumers the building of cooperative stores as against establishing private business. We do not put forward the idea of cooperatives in the manner it is put by the rightwing Socialist leadership who attempt to give the illusion

that by building cooperatives, there is a possibility of establishing a cooperative commonwealth without the forceful overthrow of the capitalist system. Nor do we have any illusions that in the present stage of monopoly capitalism that these cooperatives can be established on a wide scale. When Negro demagogs like George Schuyler bring forward the successful Rochdale cooperatives in England and established cooperatives in other parts of Europe as examples, we must remember that these cooperatives were built long before the development of monopoly capital. In the period of capitalist development, prior to the monopoly of all the sources of raw materials and industries into the hands of a few, it was possible for cooperatives to establish a firmer basis for successful operation. Bearing these facts in mind, we go into the cooperatives with a clear understanding of their limited possibilities and fight against the nonstruggle program of the reformists.

Since the crisis began, some Negroes have launched consumers' cooperatives in several cities. Some, like those in Pure Foods Grocery, Inc., who have recently opened a grocery in Harlem, are managing to keep their heads above water in spite of the difficulties they face. This cooperative has about 350 members. There is a fairly successful consumers' cooperative established by Negroes in Gary, Ind., that has about 2,000 members and two food stores in operation. These people have launched what they call their own 5-year plan. Already there is a reaction against the store in Harlem by the local white merchants who are attempting to bring pressure on the jobbers and manufacturers not to grant them credit. We should expose these merchants to the people in the neighborhood who buy from them and fight against their attempts to discriminate against these Negro cooperatives. These cooperatives can become schools of training for united struggle against capitalism for people who cannot be reached through other organizations. The measure of success that they gain through cooperative efforts against some of the ills they suffer is not such a far step from the realization that through greater organizational unity reaching wider masses, a force can be built capable of overthrowing the capitalist oppressors. The workers' cooperatives that have been established a long time, should contact these Negro cooperatives and give them help and advice on the basis of long experience in this field. This is a step toward the building of a united front of Negro and white that can grow into a wide people's front against war and fascism.

FORMATION OF CONSUMERS CLUBS

Another practical step toward the alleviation of the problems facing the Negro consumers is the organization of consumers' clubs in the Negro neighborhoods. These clubs can bring together every Negro housewife in a given neighborhood in the fight against high prices and inferior goods. They can become centers of political education for Negro people in drawing them into struggles against discrimination in all its manifestations. The clubs should be nonsectarian, embracing people of every religious denomination, nonpartisan, in order to draw in the widest circle of people in the territory. Neighborhood lectures could be arranged at which food specialists could teach them what prices to pay for their household needs and the quality of the goods they should demand for their money.

The recent meat strike in Harlem, which was carried through more successfully than in any other section of the city, demonstrates the possibility of organizing Negroes at the point of consumption. Every housewife in Harlem is anxious to find ways of stretching her few pennies as far as she can. Such organizations can teach the housewife to be wary and see that she does not pay for the weight of the hand of the butcher or grocer in every pound of meat or other products she buys.

In the struggles that can be developed around these issues, the people in the neighborhoods can get, in a practical way, some elementary lessons in political economy. They learn the disadvantages of a system where goods are produced for profit and not for use. Such struggles can become the initial steps toward the wider united Negro and white action leading to full Negro liberation and the ending of capitalism.

CONSTITUTIONAL AMENDMENT PROPOSED FOR APPORTIONMENT OF STATE LEGISLATURES

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MORTON] 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 Massachusetts?

There was no objection.

Mr. MORTON. Mr. Speaker, the Supreme Court decision of June 15 that each State does not have the right or authority to apportion either House of the legislature on a basis other than population, if implemented throughout the country, will cause a drastic change in our system of representative government.

One of the checks and balances which insures full benefit of and full participation in the Federal Government by every citizen and every State is representation in the U.S. Senate by State and not by population. A similar guarantee of full benefit and full participation of every citizen in his own State government is insured by a bicameral legislature in which at least one House is not apportioned according to population but on criteria which gives small towns and counties an appropriate position against overwhelming population differences which exist between metropolitan and rural areas.

The spirit and effect of the Supreme Court decision removing sovereignty from the States in the determination of the apportionment of their own legislatures, if applied to the composition of the Federal Congress, could establish in Washington a government dominated by metropolitan areas. The very purpose of a bicameral system and the composition of each House based on different factors of apportionment are paramount to the growth and development of America. This system represents the infinite wisdom of our Founding Fathers. To move away from it either in the governments of our States or in the Congress of our Nation will slow the course of freedom and impede the practical application of democracy.

Therefore, Mr. Speaker, today I have introduced a joint resolution proposing an amendment to the Constitution of the United States to provide "that the several States shall have exclusive power to determine the composition and apportionment of the membership of their legislatures." The success or failure of this resolution or one of similar intent could well determine the future of this Nation as a republic.

TARAS SHEVCHENKO

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] 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 Massachusetts?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, the memorial to Taras Shevchenko, which is to be unveiled on Saturday, June 27, here in Washington, is a fitting token of the deep respect in which Americans hold this great Ukrainian national hero. Taras Shevchenko knew great suffering in his life which began as a serf, but he also knew that the answer to the plight of his subjugated people was their own national and democratic state. To this end he was willing to dedicate his life.

Some 75,000 persons from all sections of the United States are expected to be present on Saturday at the Shevchenko site at 23d and P Streets NW, to pay tribute to Europe's early freedom fighter. Several other events will honor Taras Shevchenko in the day-long festivities which include concerts at Constitution Hall and the Washington Coliseum, and a Shevchenko Memorial Banquet at the District of Columbia Armory.

In conjunction with some of his friends, Taras Shevchenko formed the Society of Saints Cyril and Methodius, whose aim was the realization of a republican form of government for all slavonic people. Shevchenko had studied extensively the American system of government and thoroughly believed in it. However, the society was discovered by the Russian police and Shevchenko was packed off to Siberia in the Russian army and forbidden to write. Even though he was later released, he was never really a freeman, for the Russians did not trust him.

Thus, Taras Shevchenko, who spent most of his life in bondage under an autocratic regime, well knew the joy and privilege of freedom and democracy. Today he is regarded by the Ukrainians and others who have drawn inspiration from him as a torchbearer of freedom.

It would be an even greater token of our respect for Taras Shevchenko if we took this opportunity to rededicate ourselves to his ideals of national and individual self-determination, equality, and liberty which are also a part of the great American tradition, and to give like inspiration to those millions of people who find themselves under foreign domination.

UNWISE AND UNNECESSARY INTRUSION

Mr. MORSE. 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 Massachusetts?

There was no objection.

Mr. FINDLEY. Mr. Speaker, the Supreme Court ruling that representation

in both houses of State legislatures must be based on population is a needless and unwise intrusion on States rights.

I have today introduced a resolution proposing a constitutional amendment.

My resolution contains this provision:

Nothing in the Constitution of the United States shall prohibit a State having a bicameral legislature, from apportioning the membership of one house of its legislature on factors other than population, if the citizens of the State shall have the opportunity to vote upon the apportionment.

The decision as to whether one house of a two-house State legislature shall reflect area, rather than population, should properly be reserved to the citizens of the individual State. The Federal Government ought not to interfere in that decision. It is especially disturbing that the judicial branch of the Federal Government should invoke this sweeping legislative reform, encroaching not only on States rights, but clearly acting as a legislature itself.

If this Supreme Court decision is permitted to stand, the State of Illinois will be completely ruled from this day forward by Chicago. Downstate will be powerless to keep a legislature dominated by Chicago machine politics from funneling the lion's share of State revenue into Chicago projects and programs.

THE 14TH ANNIVERSARY OF THE KOREAN WAR

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. SHRIVER] 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 Massachusetts?

There was no objection.

Mr. SHRIVER. Mr. Speaker, 14 years ago today the Communist armies rushed across the 38th parallel in an all-out assault on South Korea. When the attacks succeeded in pushing the unprepared Korean and American forces southward the North Korean puppet, Kim Il Sung, vowed that he would throw us out of Korea by August 15. But the defending forces managed to stop the drive by defending a small corner of the southern tip of Korea. We all remember that valiant battle to hold the Pusan perimeter.

After failing to crack our lines after dozens of furious attacks it was clear that the Communists could not hope to achieve the object of their aggression—total domination of the entire Korean Peninsula.

Sixteen nations eventually participated on the United Nations side. But it was the determined American effort to supply men and equipment that first turned the tide. A total of 5,720,000 Americans served in the Korean war; 33,629 died in battle; and 103,284 were wounded.

Our military weakness in 1950 had invited the aggression and we paid a high price for our unpreparedness. The South Korean Army included only eight understrength divisions without tanks or planes. Only a handful of American military advisers were in Korea, and four poorly equipped, understrength Army divisions were stationed in Japan as part of General MacArthur's occupation force.

Mr. Speaker, today is an appropriate time to remember that Americans remain on guard in Korea against further Communist aggression. We have 2 first-rate American divisions stationed in Korea and we help support 18 South Korean divisions with up-to-date equipment and training.

Communist fires are burning in other parts of Asia, particularly southeast Asia. The Communists now are resorting to internal guerrilla tactics in what they like to call "wars of national liberation."

It is essential that the American people be taken into the confidence of the administration in regard to its policies on the Communist challenge in southeast Asia. In addition to our commitment of American boys to Korea, some 16,000 military personnel are in Vietnam. Press reports indicate the possibility of an "escalation" of our efforts in southeast Asia.

On this 14th anniversary of Communist aggression upon South Korea, it is well to ask: "Do we face another Korean-type war in southeast Asia?"

ANNIVERSARY OF POZNAN UPRISINGS

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] 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 Massachusetts?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, June 28 marks the eighth anniversary of the brave Polish uprising in Poznan, which produced the first serious setback to communism in Europe since World War II.

That heroic uprising came as no surprise to students of Polish history. For more than 1,000 years the people of Poland have demonstrated their great dedication to the principles of freedom and human dignity.

On June 27, 1956, when a large group of students in Poznan led an uprising against their Communist dictators, it should not have come as any particular surprise that the new Red regime which replaced the old guard in Poland as a result of this heroic Poznan uprising moved very quickly and decisively to provide the people of Poland with a greater degree of freedom in their daily lives.

However, Poland continues to be under Communist domination against her will. But the great contribution made by those who participated in the Poznan uprising was to bring to the people of Poland a significant breakthrough in the Communists' iron grip upon that brave nation.

Mr. Speaker, the people of Poland who 8 years ago briefly sparked a drive for freedom continue to be oppressed by the Soviet imperialistic Government, and I am sure they are especially frustrated and depressed at this time when they note the consistent determination of the Johnson administration to coexist and appease the Soviet Union.

On this eighth anniversary of the Poznan uprisings, we encourage the brave people of Poland to maintain their faith and perseverance and to look forward to the day when the United States and other free-world lands will develop an effective foreign policy and freedom will be restored to Poland and the other captive nations of communism.

SERBIAN NATIONAL HOLIDAY

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] 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 Massachusetts?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, June 28 is the Serbian national holiday, the anniversary of the Battle of Kosovo. This tragic battle which was fought on June 28, 1389, resulted in the Turkish horde destroying the heroic forces of the Serbian people, and as a result, kept them in bondage for almost five centuries.

However, the Serbian people persevered and eventually regained their freedom, but the tragic consequences of World War II and the imposition of Soviet imperialism has once again placed the Serbian people under foreign bondage.

At this time, Mr. Speaker, it is well for us to express the devout wish that the anniversary of the Battle of Kosovo rekindle in the hearts of the Serbian people and all who share and understand their feeling on the loss of their independence, their consecration to struggle against the Red Communist rulers of their homeland and never relent until once again the Serbian people truly will be free.

Mr. Speaker, I reemphasize that the observance of the Serbian national holiday and the continued display of perseverance on the part of the Serbian-American leaders, and our realization that all other American groups working to preserve the spirit of freedom in their own oppressed homelands join in urging that the Congress, in pausing to note this day in history, reaffirm the need for continuing exposé and condemnation of Communist colonialization and imperialism. This is necessary so that we may recapture the initiative in the cold war and produce the circumstances whereby the heroic Serbian people and the other unfortunate captive peoples of communism will once again share the priceless heritage of freedom.

This day is also known to the Serbian people as Vidovdan, a day of national dedication on which all Serbs commemorate not victory but a defeat for their nation. More than that, it is a day on which all the great national traditions of the Serbian people are commemorated

with all the honor and respect they so richly deserve.

Among the Serbs, Vidovdan calls to mind a day of great national humiliation; but, it also calls to mind a day when Serbian courage and heroism reached a peak seldom achieved by any nation. Vidovdan is to the Serbs a time of national dedication. It has long been the custom of Serbians to go on an annual pilgrimage to the tomb of Lazar, the fallen hero of Kosovo, resting in the monastery at New Ravanitza. That Lazar was more than a military and national hero to the Serbs is indicated by his canonization by the Serbian Orthodox Church. In poetry, literature, and in music this great battle of Kosovo became for Serbians a theme of great national importance. Even Goethe, the great German poet, compared many of the Serbian epic poems depicting the tragedy of Kosovo with the Iliad and the Odyssey.

Thus, among the Serbian people Vidovdan is a day of national dedication—dedication to the joy and sorrow of a great historic event. Vidovdan has taken on a broader meaning, however, than originally conceived. To Serbs the world over Vidovdan is a day of prayer and commemoration of all the glorious traditions of the Serbian past. In a sense Vidovdan, a religious feast day and a national holiday, represents the spiritual and historic fusion of all the ideals and traditions of the Serbian people.

On this occasion, therefore, commemorating Vidovdan all America takes cognizance of the great national traditions of Serbia, and to Serbians everywhere may this Vidovdan serve as a source of renewed inspiration for the future.

It is especially essential, Mr. Speaker, that the Serbian people in the United States maintain their traditional unity in the face of Communist oppression. It is my hope that this year in commemorating their great national holiday, Vidovdan, they will work to redevelop a united front against Tito's dictatorship.

TARAS SHEVCHENKO

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] 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 Massachusetts?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, this Saturday a statue will be unveiled here in Washington in honor of Taras Shevchenko, the poet laureate of freedom for Eastern Europe.

His life was short. His years of freedom from oppression were, unfortunately, few. But the memory and the words of Shevchenko will live forever in his native Ukraine.

In many respects, Shevchenko was a European extension of our own American Revolution. He admired America and its goals, and he was in complete sympathy with our reasons for being as a nation.

Just as did our early patriots, Shevchenko fought ceaselessly against imperialism, against oppression and the exploitation of his nation and its people as a colonial power.

More than any single man, Shevchenko was able to articulate the longing of the Ukrainian people for their own country, for their own rulers, for their own right of self-determination.

In open defiance of his Russian masters who were intent upon keeping the Ukraine a satellite, Shevchenko's words solidified his nation and his language into a living, vital force for freedom.

That force is still present in the Ukraine today, despite continued domination by the Russians.

These new Russian imperialists who have been even more ruthless than the czars, first attempted to denounce Shevchenko as a "Ukrainian bourgeois nationalist." They found Shevchenko's spirit and his words still lived vitally in the hearts and souls of the people of the Ukraine.

So the Russians decided to embrace Shevchenko's fight for freedom and the individual in the bear hug of Communist dogma.

The world is not fooled by this patent attempt at deception.

The freedom which Shevchenko sought so fervently for his people is still sought today in the Ukraine and in the many other countries which have been captured and tethered and kept in the lunar half life of subjugation by the Russian Reds.

In the 150 years since the birth of this champion of liberty, the world has made considerable progress toward freedom in many parts of the world. Let us hope that the day will soon come when the land of Taras Shevchenko's birth will be free of its Russian masters.

LANDRUM-POWELL POVERTY BILL

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. FRELINGHUYSEN] 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 Massachusetts?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, the Republican members of the Education and Labor Committee have repeatedly attempted to call to the attention of our colleagues in the House and to the public generally the questionable nature of H.R. 11377, the so-called Landrum-Powell poverty package.

We have undertaken to carry this message to the American people during the course of the public hearings on this bill, by taking special orders to discuss this proposal on the floor of the House, and in the minority views filed as a part of the committee report on this so-called war on poverty.

Mr. Speaker, last week the Committee on Rules began its consideration of H.R. 11377. I am hopeful that that committee will hold a thorough hearing on this proposal, and will examine its various parts most carefully. It is in no way unreasonable to suggest that a full hearing be held on this bill. The reasons for this are obvious: in the first place, the bill covers a multitude of subjects and programs. Its text runs to 63 printed pages, encompassing some 7 comprehensive titles. The report which accompanied this bill runs to 96 printed pages, and had the bill been properly explained, would have been even longer. Moreover, the subject mattter, the methodology, and the philosophy of this proposed legislation are very controversial, to say the least.

It is interesting to note that during the hearings before the Rules Committee, the principal spokesman for the poverty bill, the gentleman from Georgia [Mr. LANDRUM], suggested that a rule be granted permitting only 2 hours' debate on this proposal. This was, to put it mildly, a ridiculous suggestion—particularly in view of the fact that this same spokesman, alone, spent some 5 hours before the Rules Committee, attempting to explain the bill and answer questions about it.

Mr. Speaker, the suggested 2-hour rule would result in giving each of the members of the committee which handled this bill less than 4 minutes apiece to comment upon its dubious virtues. This would of course leave no time at all for the remaining 404 Members of the House to participate in debate on this far-reaching and complex proposal.

Mr. Speaker, this bill was not given adequate consideration by the Committee on Education and Labor. It was gaveled through in keeping with a political timetable. Many other House committees, whose jurisdiction this bill invades, were never heard from, nor permitted to participate in any meaningful way in the shaping of this legislation.

It is to be hoped that at this hour the polital steamrolling tactics will cease; unfortunately such pressures are continuing, and efforts have been made to prevent those who wish to testify from appearing before the Rules Committee. Surely that committee should be permitted to weigh and analyze this bill free from the inordinate partisan pressures which completely disrupted, and ultimately foreclosed, any mature deliberation on the part of the Education and Labor Committee.

Finally, Mr. Speaker, if the Rules Committee, for any reason, is compelled to permit this unfortunate proposal to come to the floor of the House, it is essential that a rule be granted which will permit a complete and penetrating debate. Only through such a debate can there be a complete disclosure of the dubious content, the dangerous philosophy, and the permeating power grab which are the hallmarks of this purely political proposal. The Members of the House and the citizens of the land are fully entitled to that protection.

APPALACHIA—THE PEOPLE THERE DO NOT KNOW THEY ARE POVERTY STRICKEN

Mr. MORSE. 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 Massachusetts?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, an ad hoc subcommittee of the Committee on Public Works is now studying the President's proposed Appalachian Regional Development Act of 1964. During recent weeks we have been subjected to a barrage of statements and newspaper articles about the poverty-stricken areas in the Appalachian region.

There was recently called to my attention an editorial and an article which appeared in the May 23, 1964, edition of the State, a magazine published in North Carolina and devoted largely to North Carolina affairs. Twenty-nine of the western counties of North Carolina are included in the Appalachian region as defined in the proposed Appalachian Regional Development Act of 1964. The editorial and article shed considerable light on the Appalachian relief proposal.

The editorial comments that the people in Appalachia are reacting to the Appalachian relief proposal with "a mixture of indifference, amusement, and resentment." It reported a conversation with a citizen of Brevard, N.C.—which is in an Appalachian county—who laughed aloud at the notion that there was exceptional economic distress in the area.

The article concerns the northwest section of North Carolina—a section comprising all or part of 10 counties, all of which are in the Appalachian region as defined in the President's relief proposal. The article shows that business is booming in this area. A citizen was quoted as saying that there was "never anything like it before" in commenting on new construction in Watauga County.

Mr. Speaker, perhaps we do need a special program in Appalachia—an educational program to convince the people that they are poverty stricken.

I am including the editorial and article at this point in the RECORD for the information of my colleagues:

GREEN PASTURES REVERSED

One might suppose that the people most interested in this war on Appalachian poverty would be the Appalachians themselves. But the reaction we heard was a mixture of indifference, amusement, and resentment. Appalachian poverty has been discovered and rediscovered ever since most of us can remember. A chain of mission schools, operated by do-gooder Yankees, financed by Yankee money, spread over the area after the Civil War. All but one or two of them have disappeared. Fantastic cooperatives were started, craft schools launched, and other remedies applied. All gone.

The biggest discovery of all was made by TVA. The emotional appeal presented in behalf of a poverty-stricken region was a substantial factor in getting appropriations to support this hydra-headed bureau. It was supposed to cure most if not all the economic ills of the mountains. Its failure to do so is emphasized by the heartrending statistics being issued to bolster the current rescue program.

It is not fashionable (or expedient) to mention the cure wrought by TVA's war on poverty.

Consequently, mountain people are phlegmatic about the rehashed headlines they are getting.

In Brevard the other day, we were discussing this with a citizen and asked her if, in truth, there was exceptional economic distress in that area.

She laughed. "Look around you," she countered. "The people out of work around here won't take jobs offered to them. I know for I've tried to employ some."

"All this talk must be about poor folks across the Smokies—over in Tennessee and Kentucky," we volunteered.

She laughed louder than ever.

"Listen, let me tell you something. I was raised in east Tennessee. When we had home mission week, our circle used to read pamphlets about the poor mountain whites in the Appalachians. It was puzzling, because some of us had traveled enough to know our poor were no more numerous and no worse off than the poor anywhere else.

"As leader of my circle, I tried to explain. I said: 'They must be talking about those people across the Smokies in western North Carolina.' When my husband and I moved to Brevard, we were astonished to find folks here better off than the people we'd left behind.

"It's the green pasture mirage in reverse."

Her story recalls one told by Preston Arthur in his "History of Western North Carolina." Ladies of the home mission society of a New England church were beside themselves with joy. They had received from their missionary in Watauga County a picture of a group of children in ragged and patched clothes. It was titled: "Before our mission started its work." Along with it was a picture of the same group of children neatly dressed, well shod and obviously prosperous. This one was captioned: "After our mission was started."

What the kind ladies didn't know was that the lady missionary had offered her class of children a prize, to be awarded to the one who could come to school in the "tackiest" costume. The "before" picture was made of this "contest," then she offered a prize for the best-dressed child. And of course the "after" picture was made of these competitors.

WAY UP IN THE NORTHWEST

(By Bill Sharpe)

North Carolina's highest college (in altitude) is more popular than ever. At Banner Elk (4,000 feet high) Dr. Max E. Chapman, president, told us Lees-McRae enrolled 425 this year, a new record, and applications were increasing. All but 20 of the students live on the campus.

Recent expansions have been an addition to the Science Building and renovation of the Cannon Building.

The ski slope planned on Beech Mountain, overlooking the town, has been abandoned by the original developers, but the project was taken over by the Robbins family of Blowing Rock and may be completed next year. We understand the slope will be on the Watauga side of the mountain, however.

BUILDING BOOM

"Never anything like it before," said Rob Rivers of Boone, commenting on new construction in Watauga County. It is estimated that building permits will reach $16 million this year. At Hound Ears Ski & Golf Club alone some 40 homes are planned.

In 1952, there were 2 small motels in Boone; now there are 17. Two more are planned; two are being expanded. A large expansion is some 40 units added to the modern Plaza. Two new apartment buildings are going up.

In Blowing Rock, Mayor R. D. Hardin said Main Street would have three new stores this year. Camping capacity in Cone Memorial Park is being doubled. The private Buffalo Camp of E. J. Sprock also is being doubled, all in anticipation of the continued interest in camping.

Mr. Hardin, himself a merchant, said last season produced more gross receipts in his stores than in any previous year. However, both he and Mrs. Betsy Custer, chamber of commerce secretary, believe 1964 will exceed 1963 in business. Neither think the World's Fair competition will hurt.

This past winter, the ski traffic really paid off. With 2 slopes nearby, 10 motels and several cafes stayed open for the winter business and found it profitable. As many as 1,500 were at the Blowing Rock slope on some days.

HOLD ONTO LAND

Back in Boone, S. L. Whitaker said the growth of Watauga had sent land prices soaring.

"Landowners just don't want to turn loose," he remarked. Listings are sometimes hard to get—a residential building lot in Boone brings anywhere from $2,500 to $6,000 now, and acreage runs up to $4,000 and even more.

However, Mr. Whitaker said he had a listing of some acreage in the mountains for around $300 an acre which is selling fast in 5-acre tracts.

BIG MEALS

Mrs. Whitaker operates the Daniel Boone Inn Dining Room (not the Daniel Boone Hotel dining room), which has been so successful in selling large mountain meals. Last year also was their busiest season, and Mr. Whitaker said they might have to expand capacity. In peak season, they have them lined up at the door to get the bountiful mountain food, prepared mountain style. This place is open the year around, and attracts diners from nearby towns as well as tourists.

ASHE'S POTENTIAL

At West Jefferson, G. E. Bowers at the Northwestern Bank was puzzled because more people have not discovered the vacation advantages of this extreme northwest section. "Our scenery and climate are superior to some of the most visited areas," he said.

There's no denying that. Plus the fact that the countryside is still largely unspoiled—fresh, natural, and inviting. Of course, it might not retain much of this after it becomes more peopled.

Nevertheless, some canny folks are looking ahead. Over at Old Jefferson, Bill Austin said outsiders (many of them from the Deep South) were quietly acquiring homesites and acreage for future use or development. We asked him if much acreage was on the market, and he replied that very little that was easily accessible and attractive. What is called rough land up here may be had for as little as $100 an acre and up, depending on location.

Of course, Ashe's terrain is such that "rough land" here is not nearly as rough as it is in, say Jackson or Swain. With some exceptions, much of Ashe's mountain land rolls reasonably to a crest then rolls down the other side, with a conspicuous absence of precipitous gorges and cliffs. And unless timber covers it, the grass quickly covers most land. It is truly a stockman's paradise.

SURVEY FOR LAKE

Something of an employment boom is due to start in the northwest. Appalachian Power Co. is now acquiring titles and surveying the land for the new hydroelectric project to be constructed between Independence, Va., and Sparta, the county seat of Alleghany. Bill said construction was expected to give employment to around 1,000 men for 2 or 3 years. The resulting lake will lie partly in Alleghany County.

WILKES IS BUSY

Wilkes County, like the rest of northwest North Carolina, is in an optimistic mood. The new airfield is ready for service, another small industry has been located, a new Federal building is scheduled for Wilkesboro and a new post office for North Wilkesboro; the county is going after a community college, the huge Holly Farms are canning poultry, and the apple cooperatives are building a $150,000 plant to grade, pack and store apples.

All this from Ronnie Knouse, Wilkes' young chamber of commerce manager. He added that the use of Kerr Scott Reservoir has been far in excess of predictions—around 500,000 visits in the first year. As a result, efforts are being made to build and lease a recreational complex on the shore, to include a modern marina, motel, restaurant, boat livery service, and so on.

The lake was filled for the first time last year. It is an Army Engineers flood control project, nestling prettily among Wilkes' mountains.

Ronnie said fishing in the new lake had been quite good—mostly for bass. If this lake follows the usual pattern of new reservoirs, next year will be the peak year for fishing. After that bonanza, it will decline slowly and eventually will rank along with our other inland reservoirs. Spring of 1965 should see an army of sportsmen cashing in on this erratic behavior of nature.

FLOWER FESTIVAL

State readers know of our unmitigated enthusiasm for the Roan. This great mountain comes to public glory with the rhododendron festival. Here's something visitors should know. Each year, North Carolina and Tennessee swap dates for their separate festivals, and this year it is North Carolina's turn to have it on the early weekend—June 17–20. Usually, the fourth weekend in June is best for seeing the flowers, for they bloom late on this high mountain.

Anyway, remember this: If you want to join in the frolic, with queen-crowning, speeches, big picnics and other fun, then go either on the third or fourth Saturday. If you want to avoid the traffic and congestion, pick some other day.

NEW LAKE

Travelers have a new scenic and recreation goal—the new Kerr Scott Reservoir in Wilkes County. It is located in the beautiful Yadkin River Valley between Wilkesboro and Ferguson and is easily accessible to a large part of the Piedmont. Winston-Salem, for example, is only 61 miles away; Charlotte 81.

The new lake is rimmed by wooded mountains and their foothills and is attractive enough to pull motorists off the parkway at Deep Gap. We predict, however, that it will be used primarily by North Carolinians for boating, fishing and camping.

The Army Engineers have provided for several recreational areas, and some of them already are in use, including boat ramps and swimming areas. Camping grounds, overnight accommodations, picnic sites and other equipment are being installed.

When full (flood point) the reservoir covers nearly 4,000 acres. It will be less than half as large at top of the "conservation" pound, indicating a rather drastic downdraw. Primarily, the project is to prevent floods downstream and to supply nearby municipalities with a water reserve.

WELCOME, ROCKHOUNDS

In at least two localities in western North Carolina, mineral collectors will be made to feel at home. They are in the Spruce Pine area of Mitchell, Yancey, and Avery Counties, and the Ruby mines of Cowee Valley, near Franklin, in Macon County. The first location is northeast of Asheville; the second, southwest of Asheville.

In both places are "diggings" where rockhounds may prospect for gems and rock specimens. Guides are available for group field trips, and there are gem shops, gem cutters and mounters in both sections. For information on minerals, write chambers of commerce at Asheville, Franklin, Spruce Pine.

TRANQUIL SHORTCUT

A pleasant off-the-pavement mountain shortcut from Burnsville to Asheville is via N.C. 197. It is paved from Burnsville to Pensacola. Then it climbs across Cane Creek Gap in the Black Mountains, and drops down to rejoin pavement at Barnardsville. The road leads back to U.S. 19. Except in the muddiest kind of weather, the dirt road is all right and the grades are not excessive.

NO TIPPING

Hooray. The Hound Ears rate sheet warns guests against tipping anybody, anytime. Any employee caught accepting a gratuity will be discharged. This is the new Swiss-chalet-type resort in Watauga County, near Boone.

MORE ACCESSIBLE

Visitors to Pilot Mountain will find the place more accessible. The new four-lane U.S. 52 carries travelers right to the mountain entrance.

NATURE TRAIL

Travelers on the Blue Ridge Parkway are advised of a nature trail at Flat Rock Overlook (near Linville outlet). Native flora tagged and explained.

THE SUPREME COURT CONTINUES TO GIVE SPECIAL CONSIDERATION TO THE COMMUNIST PARTY

Mr. MORSE. 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 Massachusetts?

There was no objection.

Mr. ALGER. Mr. Speaker, in another historic decision a majority of the Supreme Court has ruled in favor of avowed enemies of the United States. Now the Justices have prohibited the Government from denying passports to known Communist agents even though the purpose of their traveling is to advance the conspiracy to destroy the United States.

Is it any wonder that many in the United States are asking what is behind the seeming urgency of the Court to protect the Communists at every turn?

In his book, "None Dare Call It Treason," John A. Stormer reminds us:

> The cold war is real war. It has already claimed more lives, enslaved more people, and cost more money than any "hot" war in history. Yet, most Americans refuse to admit that we are at war. That is why we are rapidly losing—why America has yet to win its first real victory in 18 years of cold war.

Stormer further points out:

> In 1945, the Communist held 160 million Russians in slavery. They controlled a land area smaller than the Russia of the czars. Soviet industry had been largely destroyed by the Nazi war machine. Communism was a third-rate power, militarily, industrially, and economically.
>
> Today, after the United States has spent $600 billion to fight communism and sacrificed the lives of 50,000 of its youth to thwart Red aggression, the Kremlin has grown to become the absolute slavemasters of 1 billion human beings. The Communists openly control 25 percent of the earth's land mass. Their puppet, Fidel Castro, has been installed in Cuba, just 90 miles from our shores. The hidden tentacles of the Communist conspiracy exert unmeasured influence over the rest of the world.

In spite of the openly acknowledged objective of the Communists to destroy us, the Supreme Court in decision after decision helps make it easier for the Communists and more difficult for the American Government to deal with its enemy.

The very will of Congress is thwarted by the Court as in this latest decision on passports which virtually nullifies the Subversive Activities Control Act which Congress passed after careful study and lengthy debate.

Mr. Speaker, I believe it is time, yes, long past time for Congress to take action to reinstitute the constitutional concept of coequal branches of the Federal Government. Too long have we, the elected representatives of the people allowed our constitutional responsibilities to be eroded by the executive branch and our acts to be thrown out by the judicial branch. Only the Congress is the direct voice of the people. Only the Congress has the power to legislate. Only the Congress, through its many studies and investigative power is fully aware of the dangers threatening our Republic. Therefore, it is up to the Congress to halt the crazy course to national suicide which is being charted by pro-Communist decisions of the Supreme Court and by executive policies of trade, credit, and aid to the Communists.

Congress must declare a new declaration of principles which will make it clear to all that we intend to remain a free people, that we will win the cold war, that we will support all those in the world who also have the will to remain free, and that we will stop building up and strengthening our enemies.

As a part of these remarks I would like to include an analysis of the Supreme Court decision on passports for Reds, written by David Lawrence and printed in the Washington Evening Star of June 22. I would also like to include an editorial from the Washington Daily News which appeared in the June 24 issue.

Let's begin to put the security of America and the American people ahead of coddling those whose sole purpose is to replace the Red, White, and Blue of freedom with the Communist Red banner of slavery.

[From the Washington Star, June 22, 1964]

PASSPORTS FOR REDS ASSAILED—PERILS SEEN IN COURT RULING THAT UNITED STATES MUST ALLOW ITS COMMUNISTS TO TRAVEL

(By David Lawrence)

A majority of the members of the Supreme Court of the United States apparently are not ready to help their Government fight the "cold war" effectively. They prefer technicalities to realities. For, in another of its sweeping decisions, the highest Court in the land is willing to consider a member of the Communist Party as no different from a member of the Democratic or Republican

Party or any other political organization of citizens.

Yet J. Edgar Hoover, Director of the FBI, whose knowledge of the intricacies of espionage and acts of subversion is unequaled in this country, told Congress last January that the Communist Party in this country is an agent of the Soviet Government. He declared:

"The determination of the Soviet Union to maintain the Communist Party, U.S.A., and to strengthen and direct it in such a way as to make it a continuing danger to this Nation is clearly evidenced by the fact that for the past 44 years Soviet Russia has in one way or another directed and controlled the Communist Party, U.S.A., and helped to finance it."

The Congress of the United States, recognizing this danger, passed a law forbidding the issuance of American passports to any member of the Communist organization in America. Now the Supreme Court of the United States has declared this law unconstitutional because it does not provide for proof in advance that the passport would be misused. Only a Communist agent who is willing to tell ahead of time exactly what acts of espionage he may intend to commit or what information he may be getting ready to transmit to a foreign government could thus be prevented by law from getting a passport of the U.S. Government.

Justice Goldberg, who wrote the opinion for the Supreme Court majority, declared that "freedom of travel is a constitutional liberty closely related to rights of free speech and association."

Justice Douglas, who concurred in this opinion, wrote as follows:

"Being a Communist certainly is not a crime; and while traveling may increase the likelihood of illegal events happening, so does being alive."

Justice Douglas added that war might be a condition for "serious curtailment of liberty," but unless there was a war, he could see no way of keeping a citizen from traveling inside or outside the country.

This is but another way of stating that the "cold war" is not considered to be a war and that the interests of the United States cannot be protected through preventive measures.

Justices Clark, Harlan, and White in their dissenting opinion quoted from a statute passed by Congress in 1954 which stated that "the Communist Party of the United States * * * is in fact an instrumentality of a conspiracy to overthrow the Government of the United States." The three Justices declared that the findings by Congress concerning the nature of the Communist Party should be binding upon the Supreme Court. The minority opinion continued:

"The right to travel is not absolute. Congress had ample evidence that use of passports by Americans belonging to the world Communist movement is a threat to our national security.

"In 1950 Congress determined, in the Subversive Activities Control Act, that foreign travel 'is a prerequisite for the carrying on of activities to further the purposes of the Communist movement.' The Congress had before it—evidence that such passports by Communist Party members:

"1. Enabled the leaders of the world Communist movement in the Soviet Union to give orders to their comrades in the United States and to exchange vital secrets as well;

"2. Facilitated the training of American Communist leaders by experts in sabotage and the like in Moscow;

"3. Gave closer central control to the world Communist movement; and, of utmost importance."

* * * * *

[From the Washington Daily News, June 24, 1964]

PASSPORTS AND LIBERTY

By the scope of its decision in the Communist passport case, the Supreme Court has almost said that the Federal Government must issue a passport to anyone who asks for one. The opinion written by Justice Goldberg hints at circumstances in which a passport properly could be refused, but the gist of the opinion is that such circumstances would be extremely narrow and special.

Under the Subversive Control Act passed by Congress in 1950, identified Communists were denied passports. Two Communists, Elizabeth Curley Flynn, chairman of the Communist Party, and Herbert Aptheker, editor of a Communist publication, appealed to the Supreme Court.

Justice Goldberg says this section of the subsersives law is unconstitutional because travel abroad is a liberty under the Bill of Rights and not to be denied without due process of law. The fact that the passport applicant is a Communist makes no difference, he said.

This drew a sharp dissent from Justice Clark, joined by Justice White in part and by Justice Harlan.

"Since the [Communist] Party is a secret, conspiratorial organization subject to rigid discipline by Moscow," Justice Clark said, "the Congress merely determined that it was not wise to take the risk which foreign travel by Communists entailed."

That seems to us to be the crucial question.

The Communist conspiracy is aimed at overthrowing our Government. If it should succeed, the Bill of Rights and all the liberties guaranteed by the Constitution would be trampled. The Subversive Control Act was passed to help combat this Communist purpose.

"The right to travel," wrote Justice Clark, "is not absolute."

No right is absolute. All are inhibited, at least to the extent that the exercise of individual liberty may not materially transgress the liberties of others. Communism would transgress the liberties of all, and it would seem reasonable that Congress should attempt to safeguard the securtiy of the Nation against such subversion.

Moreover, a passport is not merely a license to travel. It is a protection for the traveling American citizen. Should the Government, then, be compelled to provide this protection for its sworn enemies? We think not.

WORST AREAS DO NOT GET THE HELP THEY NEED FROM ARA

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TALCOTT] 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 Massachusetts?

There was no objection.

Mr. TALCOTT. Mr. Speaker, the ARA was designed to help places like West Virginia and areas in a similar plight, and indeed, President Kennedy, as a candidate, made his dramatic play in West Virginia based on his promise to do something for such areas. But once the ARA was passed, actually very little was done for the State. Of a total investment of $122 million, ARA invested merely $3.8 million in West Virginia, whereas private industry in 1961 alone spent $110 million for manufacturing plant equipment in the State. In the first 2 years of ARA private industry spent about $700 million in the State, or 184 times as much as ARA. Of the first 16,000 jobs ARA falsely claimed it created, only 350 or 2 percent were in West Virginia (even this figure cannot now be believed).

Even the proadministration Washington Post editorially scored the ARA's designation binge, declaring:

As a result, the program has been so diluted that no real impact can be made on the areas that need it most. As a further result the ARA in 2 years has run through its original appropriation of $375 million which should have carried it for 4 years. That is why it is now coming in for an added $456 million. This is a classical case of log rolling, in which congressional acceptance of a modest amount of high priority expenditures has had to be purchased with a large amount of low priority items. The ARA bill has been freighted with damaging departures from the initial purpose.

In fact, the ARA's "shotgun approach" so diluted its effectiveness that the Johnson administration has had to come up with another program for the really distressed Appalachia, this time a multibillion-dollar—yes, billion—area development corporation. And once again the Nation's press is pulsating with tear-jerking stories and pictures about the poor people of Appalachia, even as it did 3 years ago in the legislative drive to justify ARA. Perhaps it is only a coincidence that these waves of maudlin sympathy for these truly sympathy-deserving people seem to coincide with the presidential election campaigns. Should we not remember that people are poor, and need help, in nonelection years also?

The American Farm Bureau Federation, representing 1,607,000 farm families from 2,700 counties, has officially deplored "a tendency for Federal agencies to dominate the rural areas' development program" and thus "discourage efforts of communities to help themselves." They continue:

We do not believe it is desirable for the Federal Government to help some areas at the expense of others. The jobs and facilities channeled into certain areas will inevitably be drawn from others. Many communities will lose business prospects, job and income producing opportunities because Federal money supplied by all taxpayers is allocated by the Federal Government.

The ARA appears to be the first step in a treacherous course that may be even more costly than our farm subsidy boondoggle begun in the early thirties. The harsh fact is that some regions, dependent on a single industry or resource which no longer can provide essentials of a viable economic life, cannot be industrialized or developed except at prohibitive costs to the rest of society. We have always had ghost towns which bloomed like desert flowers in the rain, only to wither and die. Syracuse University professor of economics, Sidney C. Sufrin, declares that the effort to artificially "resuscitate communities which have lost their economic base could lead to an industrial policy as difficult and costly as our present agricultural policy."

Pennsylvania Commerce Secretary John K. Tabor objected to the proposed Appalachia corporation because the Federal assistance involved would make the States less willing and able to solve their own economic problems and the corporation would subject the States to a federally dominated "quasi-government" not directly accountable to the voters.

A thorough congressional study and reevaluation is needed before more appropriations are made to ARA.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until Monday night to file a privileged report waiving certain points of order on the foreign aid appropriation bill. I make that request because we shall have to hold another meeting and we might not be able to get it in on Monday.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, do I correctly understand it is now proposed to change the rule again, waiving points of order on the bill? Could the gentleman enlighten me to any extent?

Mr. SMITH of Virginia. Yes. I am thinking that it will be changed in a manner which will meet the approval of the gentleman from Iowa.

Mr. GROSS. I hope and trust the gentleman is correct.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

CHECK CHEAP IMPORTS TO HELP OUR INDUSTRIES AND WORKERS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. PHILBIN. Mr. Speaker, I am today introducing a bill designed to protect American industry and American workmen from threatening, excessive foreign imports.

This bill is not designed to impair in any sense the reciprocal flow of commerce and trade between our great Nation and other nations of the world.

Neither is it intended to reflect an unreasonable monopolistic, or harmful form of protectionism.

The bill seeks to focus the attention of Congress directly and pointedly upon the current grave threats to the economic prosperity of industries in many parts of the country, caused by the flow and flood of cheap imports from abroad, which are not only driving some industries out of business, but are placing increasing burdens upon many of our industries that they cannot endure for long.

Workers are being displaced, business conditions are becoming depressed. The vitality of our great free enterprise system is being reduced. It seems to me that the time is long since past that this Congress should do something to correct these shocking and dangerous conditions.

Our trade policies and relations are based upon such a tangled maze of confusion, paradox, and disorder that this bill or any other bill would not be a complete panacea for the problems of our American industries and workers that are plagued by cheap foreign competition.

Many times I have pointed to the crazy-quilt pattern in our trade relationships that permit the use of huge foreign aid funds, lavishly supplied by our Treasury, to set up competing industries in foreign countries and to furnish them with modernized equipment that many of our own competitive industries do not have at the present, to give them advice and marketing counseling and other help at the expense of our Government in order to enable them to outcompete us in world markets, and then very conveniently to accommodate them further by reducing our tariff rates here so to allow these cheaply produced goods of these foreign subsidized industries to come into the United States to disrupt our price structures, take over business theretofore enjoyed by American producers, and generally to cause serious maladjustments of our entire economic system.

The conditions are admittedly grave. The threat is great. Congress must act now, or we will be responsible for even greater hardship and suffering that would be far beyond the means of the antipoverty bill, or any other remedial measures, to correct.

I hope that early hearings will be directed, so that Congress can get all the evidence which is readily available and then agree upon some final bill that would provide relief for American industry and the American people from these truly intolerable conditions that are causing so much damage to our industrial structure and our economy, and yet insure trade and commerce with the rest of the world on a reasonable and practical basis that could be conducted in the interests of our country.

FEDERAL TROOPS IN MISSISSIPPI

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

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

There was no objection.

Mr. WILLIAMS. Mr. Speaker, every Communist and left wing racial agitating pressure group in the United States has been making demands on the President of the United States for the past several months, demanding that he send troops and Federal marshals into the State of Mississippi.

Today the President of the United States surrendered to their demands by sending 200 U.S. Marines into the State of Mississippi, ostensibly to search the swamps for three missing persons who went to Mississippi initially in search of trouble.

Mr. Speaker, as part of my remarks, I include herewith the text of the UPI report, which appeared on the news ticker a few minutes ago, giving the story of this action.

JACKSON, MISS.—Gov. Paul B. Johnson expressed surprise today at the sending of 200 Marines to aid the search for three civil rights workers. He countered with an offer to assign National Guardsmen to the widespread hunt.

The White House disclosed the Marines were ordered to Mississippi to participate in the joint search by Federal and State authorities.

"No one conferred with me with reference to the dispatching of the Marine personnel and equipment to Mississippi," Johnson said.

"Their presence here is indeed a surprise to me, since 2 days ago I offered to the proper Federal authorities the assistance of the Mississippi National Guard, which is now in training at Camp Shelby."

Johnson said one of the National Guard units was located at Philadelphia and members of the unit were thoroughly familiar with the woods and terrain of that area.

"This offer was not accepted but is still valid," the Governor said.

"I am an ex-Marine officer and I will render every assistance possible, and I call upon the good people of this State to do likewise, that this search may be completed and all units, local, State and Federal may return to their normal duties," Johnson said.

"We are determined to maintain peace and order in this State and we are going to cooperate with all proper authorities in order that our laws are obeyed and that peace and traquillity may prevail."

It should be pointed out that Mississippi's Governor Johnson had offered the facilities of the National Guard to assist in the search as long as 2 days ago, only to be turned down. Further, it should be noted that Governor Johnson was neither consulted about sending Marines into our State, nor was he informed of plans to do so.

Mr. Speaker, in my opinion, this action is a calculated and deliberate insult to the State of Mississippi, the Governor of Mississippi, and every member of the Mississippi National Guard. It may mollify the radical elements who have demanded a military occupation of our State, but will be resented, I am sure, by the great majority of our people when they learn the facts.

Now, Mr. Speaker, according to Federal Bureau of Investigation statistics, in the year 1963 there were 10,453 people reported missing in the city of New York alone. Of this number all were located in 1963 except 188. Of these people, 188 are still on the missing persons rolls in the city of New York. If the President did not want to play politics with the Mississippi incident, and if he wants to treat all of our States equally, he would send, at the same ratio, 12,600 Marines into the city of New York to look for those 188 missing people.

The SPEAKER. The time of the gentleman has expired.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. COLMER. Mr. Speaker, those of us from the great State of Mississippi, the once great sovereign State of Mississippi, have refrained from and have restrained ourselves from adding embers to the fire in all of the consternation that has been created down there in Mississippi, because we in Mississippi are a law-abiding people.

Mr. Speaker, every thinking, every intelligent, every knowledgeable person knows that this crusade was organized to go into my great State to create trouble, and they will not be satisfied until they get it. I prophesy that the same thing applies to the great State of Florida. These agitators are not going to stop there until they bring about some bloodshed. The whole thing is a part of a planned conspiracy to bring down upon the white people of the South the castigations of these misguided people, do-gooders, and politicians, who are trying to reform and to remake this great country of America.

The people of Mississippi do not want these people in there. They do not want any bloodshed. They do not want any trouble. All they want is to be let alone so that their laws can be observed; and they resent this intrusion from outside.

Mr. Speaker, it is indeed pathetic that these conspirators, in their desire to further their misguided efforts, are enticing immature juveniles and other immature people into their fold under false propaganda and sending them into my State as well as other States of the South after first indoctrinating them in the Hitler and Khrushchev form of schooling. My sympathy goes out to these immature youths and their ill-advised parents. In fact, we have here an unholy alliance between the Communists, who are always seeking an opportunity to divide our people, on the one hand, and the do-gooders in the clergy, on the other. These, together with the self-serving leaders of the Negro movement, are really responsible for the invasion of Mississippi and Florida. No doubt they envision a similar invasion of other Southern States. In fact, if the truth were known, I am confident that many of these leaders, as well as some of the youth who are engaged in this movement, are either Communists or fellow travelers. To be specific, I am told, of course confidentially, by one of my colleagues from one of the northern States that one of these people involved, to his knowledge, is a Communist.

As pathetic as enticing unthinking youths into this "invasion" is, it is even more tragic that the administration is encouraging this "invasion" of troublemakers.

Surely, Mr. Speaker, the thinking people of this Nation must wonder why the President of the United States has today found it necessary to order 200 Marines into the State of Mississippi in connection with the missing of three of these juvenile, misguided "invaders" when the President has not thought it necessary to send either Marines or U.S. marshals into New York where not even a commuter on a subway train can ride without mortal fear of his life. But, of course, Mr. Speaker, I do not think the President should send Marines into New York any more than he should send them to Mississippi. In fact, there is no authority therefor. These are matters for the States to handle. As a matter of fact, the Constitution only gives the President such authority when requested by the legislature or the Governor of the State. The President had no such request. Mr. Speaker, finally, I am not advised as to what has happened to these errant youths who are now missing. I can only express the further hope and prayer that they have not met with foul play at the hands of Mississippians. If they have, I hope that those responsible therefor will be apprehended and prosecuted. I think that I speak for an overwhelming majority of the people of Mississippi in this hope; even though I believe with most American citizens that they had no business there in the first place.

The SPEAKER. The time of the gentleman has expired.

DOVER, DEL., ONE OF NINE CITIES TO BE HONORED FOR CONTRIBUTION TO INTERNATIONAL FRIENDSHIP

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. McDOWELL] 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 Texas?

There was no objection.

Mr. McDOWELL. Mr. Speaker, Dover, Del., is one of nine cities to be honored on Tuesday, June 30, in the Nation's Capital for the excellence of their town affiliation activities with their sister cities in other countries.

This is part of the people-to-people program which was founded at the White House in 1956 when the President of the United States called for a massive nongovernmental program of communication between American citizens and the peoples of other countries. The people-to-people program promotes international friendship, and is financed by American organizations, groups, and individuals.

The American Municipal Association and the civil committee of the people-to-people program are in charge of the presentation of awards to the nine cities, which is sponsored for the second time by the Reader's Digest Foundation, and which will climax a 2-day national town affiliation conference to be held in the international conference suites of the U.S. Department of State, June 29–30.

Delegates from the United States and from many foreign countries will attend the conference at the State Department.

Dover, Del., was chosen for laying the groundwork for many future exchanges and a well-planned visit to Lamia, Greece.

The judges for this competition were: Gen. Alfred Gruenther, past president, American National Red Cross; the Honorable Jack McFall, former U.S. Ambassador to Finland and career foreign officer; and the Honorable Andrew Berding, director, Washington International Center and former Assistant Secretary of State for Public Affairs.

I am proud of Dover for the work that it is doing, as are all Delawareans, and I am confident that this recognition will spur the fine citizens of the capital city of the first State to redouble their efforts in this significant field of international relations.

THE NATION NEEDS THE URBAN MASS TRANSPORTATION ACT

Mr. GONZALEZ. 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 Texas?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I would like to make a statement in behalf of the Urban Mass Transportation Act. This important bill is being debated today and it is therefore appropriate for me to explain why I believe it is imperative that Congress enact this program into law.

First, Federal aid for transportation dates back literally to the beginning of our great Nation. In 1789 legislation was passed by the First Congress of the United States which was similar to some of the maritime subsidies of today. In that year our predecessors in Congress passed the first tariff act, stipulating that goods imported into the United States on American vessels should have a 10-percent reduction in custom duties, and imposing a tonnage tax in favor of American shipping. In 1845 Congress authorized mail subsidies, with preference to be given to steamships which could be converted into vessels of war. Between 1847 and 1858, $14.4 million was expended on such mail subsidies. In 1891 Congress passed the Ocean Mail Act, and from this date to 1928 $29.6 million was expended in maritime subsidies. Current subsidies to shipping interests are provided for under the Merchant Marine Act of 1936.

Similar histories of Federal subsidies and Federal aid for transportation may be traced in connection with our system of canals and waterways, railroads, airlines, and highways. Between 1827 and 1866 the Federal Government granted 6,340,339 acres of public lands to private interest to aid in canal building and river improvement, in addition to right-of-way grants. Additional aid has been granted in the form of direct appropriations, stock subscriptions, and loans to canal companies, and surplus funds derived from the sale of public lands deposited with the States. The Federal Government to this day aids and subsidizes inland and coastal water transportation companies through the maintenance of waterways, improvements of rivers and harbors, and by providing

various navigation aids such as lights and buoys.

From 1850 through 1871 Federal and State land grants to aid in the construction of new railroads amounted to approximately 183 million acres. During the years 1862 to 1866 alone over 100 million acres were turned over to the railroads. In addition, since 1932 the Federal Government has made loans to railroads on very favorable terms, and the Transportation Act of 1958 provides for Federal guaranteeing of loans to railroads. The value of the public lands donated to the railroads is estimated at $1.28 billion. This does not include the value of State lands given to railroads, Federal and State loans, Federal and State tax benefits, and State and local subscriptions of stocks and bonds.

In 1925 Congress passed the Airmail Act, providing for the retirement of the Post Office from flying activities and the awarding of mail contracts to private companies by competitive bidding. In 1930, with the passage of the Waters Act, the method of payment was changed. Aid in the form of more liberal compensation was extended to air carriers for the express purpose of encouraging passenger traffic. Thereafter payments to airmail carriers increased from nearly $17 million in 1931 to nearly $20 million in 1932. The Civil Aeronautics Act of 1938 further liberalized airmail payments. By 1961 this form of aid exceeded $150 million. And aside from these direct subsidies, air carriers benefit from airport and airway facilities, navigation aids, aeronautical research and development, and the sale of surplus aircraft.

Federal aid to highways began in 1893 when the Office of Road Inquiry was set up in the Department of Agriculture. The Federal Aid Road Act of 1916 made grants to States for the purpose of highway development, and the Federal Highway Act of 1921 provided for grants of up to one-half the cost of the improvement of highways. In 1956 $27.5 billion was authorized by Congress for a new 41,000-mile interstate network of highways connecting major cities.

I have recited these facts to demonstrate the long history of Federal participation in the development of public transportation. Private enterprise and the Government have both played vital roles in this development. Obviously, our ability to travel by air, land, or sea would not be what it is today had the Federal Government not joined with private enterprise in assuming this responsibility.

We can now boast of the finest system of public transportation in the world. We have interconnected and interlaced this vast land with rails and highways, airways and waterways. We have opened the countryside to settlement and development. And we could not have done this without the full cooperation of the American people, that is, the Federal Government.

The role played by the Government in this area constitutes one element in that relentless force that has driven this country forward. For what progress could we have made without public transportation? How much land would still be raw and unproductive? How many cities would be unbuilt?

Now the land is open, our people are highly mobile, and the cities are built. We have arrived at a new stage in national development. One in which the cities themselves have assumed a dominant role. At present 70 percent of the American people reside in urban regions. It is estimated that by 1980 90 percent will be living in urban regions. Yet, there is no doubt about the critical need for action on the urban transportation problems in our Nation's cities. Is progress to be halted at this stage? Are we to stop going forward?

Every person who commutes to work knows the seriousness of inadequate and overcrowded facilities. The commuter is faced with increasing irritation, delay en route, parking, and other expenses, and danger of accidents. The automobile is a wonderful means of travel provided there is space and no congestion. But the city dweller is traveling today at a slower rate of speed in his automobile than in the horse and buggy days. The expressways and throughways, parking lots, and garages are consuming too much space. It has been said that they are consuming the living tissue of the city. Two-thirds of central Los Angeles is occupied by streets, freeways, parking facilities, and garages.

Our cities are becoming sick because we are relying too heavily on only one means of transportation—the automobile. Mass transportation service in most urban areas has been deteriorating at the time when it should have been improving. Declines in riding on mass transit facilities, the corresponding reduction in revenues, and rising costs of operation, have caused the sale or abandonment of many transit companies in many years. This situation has developed because the mass transit facilities have not kept pace with competitive modes of transport. Most transit systems are not in a financial position to undertake the necessary investment. So these systems continue to decline, employment in the mass transit industry drops, and our cities are being choked and strangled with automobiles and automobile facilities.

The problem, as I have indicated, is that our system of mass transportation has become terribly unbalanced and unfunctional, and the cities themselves are becoming unfunctional. Lewis Mumford, in his brilliant and scholarly work, "The City in History," points to the solution:

> To have a complete urban structure capable of functioning fully, it is necessary to find appropriate channels for every form of transportation: It is the deliberate articulation of the pedestrian, the mass transit system, the street, the avenue, the expressway, and the airfield that alone can care for the needs of a modern community. Nothing less will do.

We have a history and a tradition of Federal participation in the development of public transportation. We have a serious need for that participation in the urban regions of this Nation. And we have before us today the urban mass transportation bill. The mass transit industry is dying, but it is not dead yet. We may restore its health if we act now, while it at least still breathes. We may not be able to resurrect it later.

TEXAS AND ALLIANCE FOR PROGRESS

Mr. GONZALEZ. 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 Texas?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, last week the Texas partners of the Alliance held their first meeting in San Antonio, where plans were announced for the launching of a partnership with the people of Peru, for the promotion and pursuit of the high goals of the Alliance of Progress.

A hundred and fifty distinguished Texans met with the Ambassador from Peru, the Honorable Celso Pastor, who brought greetings from President Fernando Belaunde. President Belaunde made note of the years he spent in Texas while a student at the University of Texas, and conveyed his hope and determination for a most intense cooperation among Peruvian and Texas leaders in political, social, and economic activities. President Johnson sent a message to the gathering in which he noted pleasure that "the people of Texas are joining with our neighbors in Peru to help us carry out the Alliance for Progress."

Mr. Speaker, this partnership between Texas and Peru is an important one—it is another of 22 such partnerships already established between several States and the republics of the south. The leadership of Texas, in close harmony with that of Peru, can do much to shape the future of both countries. Peru is a country of vast frontiers, just as Texas; it is a country rich in resources, rich in hope, and rich in energies. Texans understand these energies and the frontier spirit of the Alliance. No finer tribute can be paid this mutuality of understanding than the consummation of this partnership. Ambassador Pastor stated:

> You have garbed the greatness of this State with the will of determined men who have the gift of unflagging energy.

He noted that the partnership of such men would spark and move the Alliance in Peru.

Mr. Speaker, the Alliance for Progress is truly a partnership of the republics of this hemisphere. The partnerships created through the Companeros de la Alianza will help assure the people of Latin America of our concern for their struggle to rise above poverty and despair.

The goal of the Alliance is progress and the partnership of north and south will help bring about this progress. The idea of the partnership program is one of self-help. It does not mean handouts or charity from one government to another, but it aims to stimulate individuals into action and to form lasting personal relationships among the partners

outside of those official relationships that already exist.

Mr. Speaker, the last meeting of the Texas partners was not a large one—as we think of these things—but it was a significant one, for it heralded the harnessing of mutual energies and mutual ideas in the true partnership of the Americas which was envisioned by the late President Kennedy when he proclaimed the beginning of the Alliance and called for a decade of development.

I submit at this point for the RECORD the messages sent to this first meeting in beautiful and historic San Antonio, from President Lyndon B. Johnson and President Fernando Belaunde, as well as Ambassador Thomas Mann and John P. Murphy, of Lima, Peru, in the name of many American businessmen there:

SAN FRANCISCO, CALIF.,
June 19, 1964.

TEXAS PARTNER OF THE ALLIANCE,
San Antonio, Tex.:

I am pleased that the people of Texas are joining with our neighbors in Peru to help us carry out the Alliance for Progress. This direct relationship can contribute in a meaningful way to the goals of the Alliance. I send my warmest best wishes to the Texas partners of the Alliance and, through you, to your Peruvian partners.

LYNDON B. JOHNSON.

LIMA, PERU.

AMBASSADOR PASTOR LEPRU,
Washington, D.C.:

Deeply attached to Texas where I received my academic training and spent unforgettable years. I want to convey to all our friends my warmest wishes for the welfare of that great State of the Union and my hope and determination for a most intense cooperation among Peruvian and Texas leaders in political, social, and economic activities. With sincere appreciation for the inspiring spirit I found in the past and see renewed in the present in this kind invitation to my ambassador.

FERNANDO BELAUNDE,
President of Peru.

DEPARTMENT OF STATE,
Washington, D.C., June 17, 1964.

Mr. ANTONIO SCOTT,
Executive Secretary,
Texas Partners of the Alliance,
San Antonio, Tex.

DEAR MR. SCOTT: It is with a great deal of pleasure that I send my personal greetings to the Texas Partners of the Alliance on the occasion of the announcement of their partnership program with Peru.

Those who have given their time and support to launching this program should take pride in their efforts, for this kind of personal involvement can play a significant role in furthering the aims of the Alliance for Progress.

I would like to take this opportunity to wish the Texas Partners of the Alliance every success in their association with the people of Peru.

Sincerely yours,

THOMAS C. MANN,
Assistant Secretary.

COMITE NORTEAMERICANO PRO-PERU,
Lima, Peru.

Mr. JAMES BOREN,
Alliance for Progress,
Agency for International Development,
Department of State,
Washington, D.C.

DEAR MR. BOREN: The Comite Norteamericano Pro-Peru, CONAPROPE, wishes to inform you of our continued interest in the Companeros de la Alianza and we applaude your efforts and if there is any way that we can cooperate with you for the furtherance of our mutal aims, we on the comite stand ready to assist.

With best wishes for your continued success, we remain,

Very truly yours,

JOHN P. MURPHY,
President.

TARAS SHEVCHENKO MEMORIAL

Mr. GONZALEZ. 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 and include extraneous matter.

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

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, as a Ukrainian-American, I take great pleasure in addressing my colleagues in the House at this time, calling their attention to the Taras Shevchenko Memorial which is to be dedicated this weekend in our Nation's Capital.

I was deeply touched when I learned how far so many of my friends traveled to honor the memory of this great Ukrainian hero. The ceremonies to be held this weekend are a fitting culmination to the several years of labor which so many people have put into realizing an American memorial to the greatest of all modern Ukrainians. I know that for some this memorial is a dream come true. A monument to Shevchenko already exists in front of the Parliament in Ottawa. It is most fitting that we join with our Canadian neighbors in likewise honoring this great leader, for he was much more than a national figure and the focal point of Ukrainian national feeling today and much more than a great artist in his own right.

Taras Shevchenko was a trailblazer. He broke the silence which had surrounded the minorities in the Russian Empire and called for their liberation. Like Prometheus, who is engraved on a marker beside the statue of Shevchenko, the nationalities had been shackled to the rock of the Russian Empire. As a leader in the largest of these suppressed peoples, Shevchenko conceived of all of these Slavic peoples as good brethren who should not be enslaved. Each, to him, should take its rightful place among the free nations of the world.

Rise and break your shackles—

he cried out to them all.

Fight and you will win because God will help you; the power, liberty, and sacred justice are on your side.

These words, and many like them, became the moving force behind the suppressed groups in the Russian Empire and influenced those also seeking their independence in the neighboring Austrian and Ottoman Empires. Many of his works were translated into their and other languages.

However, Shevchenko was not only a man of letters; he was also a man of action. He helped to form the Society of Saints Cyril and Methodius whose aim was a free union encompassing all Slavonic peoples under a republican form of government. Schevchenko had made a thorough study of the American system and drew inspiration from it. He was exiled to remote parts of Russia and forced into the czarist army.

We, as Americans, can look to the example of this great Ukrainian patriot and rededicate ourselves to the universal ideals which Shevchenko espoused: Liberty, justice, and equality. These are all concepts which Americans, since our country's inception, have defended time and again. Just as Shevchenko lifted the veil of silence that had hung over the suppressed nationalities in the 19th century Russian Empire, we, who live in the greatest free state in the world, should reecho his words today. Most of these ethnic groups now find themselves chained again to the Russian state under the guise of republics, although no freedom exists in reality. Others outside Russia also find themselves under a Communist order which is alien to them in spirit.

We should give these people inspiration and courage. Tyranny cannot last forever. In the immortal words of Shevchenko:

Ukraine will rise and dispel the gloom of slavery, and the children of slaves will pray in liberty.

TARAS SHEVCHENKO

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] 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 Texas?

There was no objection.

Mr. DANIELS. Mr. Speaker, it is a great honor to speak here today in tribute to Taras Shevchenko, the greatest patriot and intellectual in Ukrainian history. Taras Shevchenko's life was a living model of democratic progress. He rose from obscure serfdom to be the first man of Ukrainian arts and letters. He displayed tremendous talent in every endeavor. He did not let his talent and fame distract him from the misery rising from ages of serfdom imposed on his fellow Ukrainians by Russia. He was above all a man with the interests of the common people constantly in mind.

One of the most important contributions he made to the Ukraine—and proof of his national pride—was his gift of fine literary works written in the common language of the Ukrainian people. His works like "Kobzar," "Gaydamaki," and "The Dream" are lasting inspirations to the free spirit of Ukrainians as well as national treasures.

Taras Shevchenko displayed his dedication to independence for the Ukraine on numerous occasions—when he was forced into the czar's army, when he was imprisoned in St. Petersburg, and many other times. He was a founder and leader of the Ukrainian independence movement struggling to throw off the shackles of imperialism. His ideas and example continue today to inspire Ukrainians in America and the Ukraine in their struggle for freedom.

Shevchenko's art works, his portraits and landscapes, survive as original foundations of Ukrainian culture. Museums, statues, and institutes bearing his name are scattered throughout the Ukraine. His books of poems, his play, "Nazar Stodolya," his novels, "The Musician," and "The Princess," and his diary should be read by every Ukrainian to get the full impact of his great mind and high principles.

Taras Shevchenko was not only a man of his age. His principles are as valid today as they were when he pronounced them. The Ukraine still suffers from Russian imperialism. The peasants are as much serfs as ever under the state collective system. And his rise from serfdom, beginning as a poor orphan, to world fame, should inspire all young people from every nation.

We welcome Taras Shevchenko's memorial to the Capital of the United States. He belongs here. In these days of restrained antagonism between the Soviet Union and the free world we are happy for the opportunity to remind the Ukraine's Communist conquerors how very far they have to go before appearing respectable to enlightened opinion in the modern nations. Finally we welcome the opportunity to hold out before the Ukrainian people their own greatest aspirations in the hope that they will insist on receiving that justice and dignity, that right to liberty, due all men.

SENATOR CLAIBORNE PELL

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] 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 Texas?

There was no objection.

Mr. FOGARTY. Mr. Speaker, on June 2 of this year my very capable colleague the Honorable Senator CLAIBORNE PELL, of Rhode Island, was awarded an honorary degree of doctor of laws by Providence College.

I am particularly gratified that Providence College, the institution I consider my own Alma Mater since it gave me my first honorary degree, should so honor my good friend and respected associate. CLAIBORNE PELL has displayed tremendous potential since first he came to Washington as the junior Senator from Rhode Island. I am proud that Providence College has recognized his abilities and accomplishments and has had the good judgment to add his talents to its roster of distinguished alumni.

Mr. Speaker, I should like to include at this point in the RECORD the presentation speech which accompanied the awarding of the doctor of laws degree to Senator CLAIBORNE PELL.

CLAIBORNE PELL, we recognize in you a statesman of rapidly growing stature, highly regarded at home and abroad. Your extensive years of diplomatic service throughout the world broadened your perspective and deepened your knowledge of foreign affairs and international relations. In gratitude for your assistance to refugees, you were awarded the Caritas Medal by Franz Cardinal Koenig, of Austria. You were decorated by the Knights of Malta with their Order of Merit; you also received the Legion of Honor of France and decorations from the governments of Italy and Portugal. Since entering the Senate of the United States, you have served on several Senate committees and on the Joint Economic Committee and the Joint Committee on the Library. In 1961 and 1962, you were a delegate to the United States-Canada Interparliamentary Conferences. You have also served as an alternate delegate to the NATO Interparliamentary Conference. Your all-abiding interest in the welfare of America and your dedicated concern for the people of Rhode Island have merited for you rightful recognition as a scholar, administrator, and statesman.

NATIONAL YOUTH SCIENCE CAMP, CAMP POCAHONTAS, W. VA.

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] 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 Texas?

There was no objection.

Mr. STAGGERS. Mr. Speaker, in the summer of 1963, the State of West Virginia celebrated its 100th anniversary. A wide variety of projects was designed to put on exhibition the State's resources and possibilities, both human and material. Our Governor, the Honorable William Wallace Barron, entered enthusiastically into the whole program, and personally helped to organize and to oversee a number of the projects. Congressman KEN HECHLER and other State and national officials gave their encouragement and support most unselfishly.

One project was such an outstanding success that it was decided to repeat it year after year. A group of young scientists, two from each State in the Union, was invited to attend a 3-week camp at Camp Pocahontas, near the site of the National Radio Astronomy Observatory. Lectures, field trips, and hikes were organized to investigate numerous earth sciences which can be studied extensively in the area. Dr. Charles N. Cochran, assistant professor of mathematics at the University of West Virginia, took the leading part in organizing and directing the activities of the camp. This year he has again taken on the project with still greater vigor.

Through Dr. Cochran's efforts, ably seconded by those of Senator JENNINGS RANDOLPH, all expenses of the camp have been assured by a generous grant from the Claude Worthington Benedum Foundation of Pittsburgh. It is further supported by the active participation of the State and by West Virginia University. It was my privilege to be asked to address the officials and members of the camp at its opening on Sunday, June 28, at which time I will use the following material which I ask to be inserted in the RECORD:

NATIONAL YOUTH SCIENCE CAMP, CAMP POCAHONTAS, JUNE 28, 1964

West Virginia is honored to welcome a highly select group of young people whose names may one day adorn the brightest pages of history. The twentieth century has, so far, been the age of science. Within the lifetime of the older generation, science has changed the pattern of living in more ways than all preceding efforts toward advancement. Indeed, science is a new and almost novel field of human activity. The startling statement was made recently that some ninety percent of all the scientists who have ever existed on earth are alive today. What science has achieved up to date appears to be only a beginning; the future opens before it with prospects still unforeseen by the human mind. As an occupation, science has superseded all the older vocations—medicine, law, theology, philosophy—in prestige and influence. Its votaries command the highest respect—and incidentally the highest pay—in business and in Government. You young people who gather here today as acolytes before the most promising shrine of the future are indeed an elite group, and, I most fervently hope, a fortunate one.

To those of us who live on the outermost fringe of the scientific world, it is an act of temerity to speak before a group of scientists. You speak in unknown tongues. Only an initiate can understand you. And I understand only imperfectly what I am trying to say to you. It is exasperating to note that your common language, such words as automation, machs, cybernetics, and a host of others, has gained access to only the most recent dictionaries. As for the symbols you use to record your discoveries and conclusions, the ordinary man needs a new Rosetta stone to reduce them to intelligibility.

It is little wonder that science has traditionally been regarded as the dark and mysterious area of human knowledge. In the fuming and reeking laboratories of science, witches' potions have been brewed. Do they betoken malice or promise to the race? We stand partly in awe and partly in admiration before your concoctions. The tendency of the middle ages, and indeed of much more recent times, was to consider science as the work of the Devil. Scientists were suppressed as agents of evil. For safety to themselves, they confided their discoveries to such organizations as the Eleusinian mysteries. They did not talk about them in the open world, lest their unorthodox statements might bring down on them condemnation and ruin.

Even the modern world has not fully made up its mind whether science is a blessing or a curse. Advances in medicine have made it possible to preserve human life over a span that is growing longer year by year. To what end? That we all may die of starvation, say some who deplore the population explosion of the current century. Mechanical genius has devised machines which convert hitherto unused resources into products which bring ease and comfort to millions. These bring envy to many more millions whose customs and social institutions effectively bar them from sharing in their benefits during their current state of underdevelopment. They threaten to overwhelm us by the sheer weight of numbers. The complexities of modern scientific living induce neuroses which conceivably could destroy all human reason and reduce us to a level below that of our cousins, the apes.

One thing we say little about, because it frightens us beyond expression. We are like the superstitious ancients, who firmly believed that even to name a thing was to let loose whatever malignant power it possessed. But we do know, in a hysterical sort of way, that 2 individuals out of some 3,000,000,000 who inhabit this globe are entrusted with the awful power of deciding when and if life shall continue on earth. The President of the United States, with little more than a simple gesture, could unleash forces which might annihilate not only human life, but animal and vegetable life as well. He

is empowered by law to do it at his discretion. Presumably his counterpart in the Union of Soviet Republics bears a like responsibility. Suppose either should be a maniac for one brief second.

To say these things may seem to justify the apprehensive suspicions of mankind through the ages toward all the works of science. But this is not the only judgment, and by no means the final judgment, against science. For we have sampled enough of the fruits of science to be convinced that it is the one effective attack against all the miseries and evils of the world that have come down to us from the Garden of Eden. We have seen enough to show that science can reduce hunger and disease and unmitigated toil and oppression for those who master its secrets and who appropriate its benevolence. And we believe that we are on the threshold of spreading its benign influence among all peoples everywhere. At last we are on the right road to universal advancement. We have fumbled in the past with expedients not suited to their purpose. We have assumed that an all-wise and all-good God has endowed us with intelligence, and still required us to avoid investigation of the properties of that bountiful nature in which He has placed us.

The change in the attitude of the modern world toward science begins with a change in the thinking of mankind, and that change in thinking was spurred by a few brave souls among the early pioneers of science. It is only thinking that begets education, which, after all, is simply the adaptation of the individual to his surroundings. For an intuitive grasp of the force and direction of education, I commend to your attention that autobiographical book entitled "The Education of Henry Adams." Adams wrote in the early years of this century. He wrote as a historian, and not as a scientist. He propounded what he called a dynamic theory of history. I venture to quote a few thought-provoking passages:

"A dynamic theory, like most theories, begins by begging the question: it defines progress as the development and economy of forces. Further, it defines force as anything that does, or helps to do work. Man is a force; so is the sun; so is a mathematical point, though without dimensions or known existence.

"Man commonly begs the question again by taking for granted that he captures the forces. A dynamic theory * * * takes for granted that the forces of nature capture man. The sum of force attracts; the feeble atom or molecule called man is attracted; he suffers education or growth; he is the sum of the forces that attract him; his body and his thought are alike their product; the movement of the forces controls the progress of his mind, since he can know nothing but the motions which impinge on his senses, whose sum makes education.

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"Susceptibility to the highest force is the highest genius; selection between them is the highest science; their mass is the highest educator. Man's function as a force of nature was to assimilate other forces as he assimilated food. He called it the love of power. He waited for the object to teach him its use, or want of use, and the process was slow. Hunger, whether for food or for the infinite, sets in motion multiplicity and infinity of thought, and the sure hope of gaining a share of infinite power in eternal life would lift most minds to effort.

"He had reached this completeness 5,000 years ago, and added nothing to his stock of known forces for a very long time. The mass of nature exercised on him so feeble an attraction that one can scarcely account for his apparent motion. Only a historian of very exceptional knowledge would venture to say at what date between 3,000 B.C. and A.D. 1,000 the momentum of Europe was greatest; but such progress as the world made consisted in economies of energy rather than in its development; * * * it was shown in roads, or the size of ships, or harbors; or by the use of metals, instruments, and writing; all of them economies of force, sometimes more forceful than the forces they helped; but the roads were still traveled by the horse, the ass, the camel, or the slave; the ships were still propelled by sails or oars; the lever, the spring, and the screw bounded the region of applied mechanics. Even the metals were old.

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"In the year A.D. 305 the (Roman) empire had solved the problems of Europe more completely than they have ever been solved since. The Pax Romana, the civil law, and free trade should, in 400 years, have put Europe far in advance of the point reached by modern society in the 400 years since 1500, when conditions were less simple.

"Throughout these 4 centuries the empire knew that religion disturbed economy, for even the cost of heathen incense affected the exchanges; but no one could afford to buy or construct a costly or complicated machine when he could hire an occult force at trifling expense. Fetish power was cheap and satisfactory, down to a certain point. Turgot and Auguste Comte long ago fixed this stage of economy as a necessary phase of social education.

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"Outside of occult or fetish power, the Roman world was incredibly poor. It knew but one productive energy resembling a modern machine—the slave. No artificial force of serious value was applied to production or transportation, and when society developed itself so rapidly in political and social lines, it had no other means of keeping its economy on the same level than to extend its slave system and its fetish system to the utmost."

The result, says Adams, was the collapse of the Roman Empire and the thousand years of wandering through the economic, political, and social desert which is known as the Dark Ages. It was a nightmare of warfare and destruction and irrationality. Progress had retreated to the east, where there was a "variety of forces that classical Europe had never possessed. The navy of Nicephoras Phocas in the 10th century would have annihilated in half an hour any navy that Carthage or Athens or Rome ever set afloat." From this nightmare, Europe was aroused by two inventions. Resuming the quotations:

"Of the compass, as a step toward demonstration of the dynamic law, one may confidently say that it proved, better than any other force, the widening scope of the mind, since it widened immensely the range of contact between nature and thought. The compass educated.

"Of Greek fire and gunpowder, the same thing cannot certainly be said, for they have the air of accidents due to the attraction of religious motives. They belong to the spiritual world; or to the doubtful ground of magic which lay between good and evil. They were chemical forces, mostly explosive, which acted and still act as the most violent educators ever known to man, but they were justly feared as diabolic, and whatever insolence man may have risked toward the milder teachers of his infancy, he was an abject pupil toward explosives.

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"The fiction that society educated itself, or aimed at a conscious purpose, was upset by the compass and gunpowder which dragged and drove Europe at will through frightful bogs of learning.

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"This persistence of thought inertia is the leading idea of modern history. Except as reflected in itself, man has no reason for assuming unity in the universe, or an ultimate substance, or a prime mover. The a priori insistence on this unity ended by fatiguing the more active—or reactive—minds; and Lord Bacon tried to stop it. He urged society to lay aside the idea of evolving the universe from a thought, and to try evolving thought from the universe. The mind should observe and register forces—take them apart and put them together—without assuming unity at all. 'Nature, to be commanded, must be obeyed. The imagination must be given not wings but weights.' As Galileo reversed the action of earth and sun, Bacon reversed the relation of thought to force. The mind was henceforth to follow the movement of matter, and unity must be left to shift for itself.

"The revolution in attitude seemed voluntary, but was as mechanical as the fall of a feather. Man created nothing. After 1500, the speed of progress so rapidly surpassed man's gait as to alarm everyone, as though it were the acceleration of a falling body which the dynamic theory takes it to be. Lord Bacon was as much astonished by it as the church was, and with reason. Suddenly society felt itself dragged into situations altogether new and anarchic—situations which it could not affect, but which painfully affected it. Instinct taught it that the universe in its thought must be in danger when its reflection lost itself in space.

"Very slowly the accretion of these new forces, chemical and mechanical, grew in volume until they acquired sufficient mass to take the place of the old religious science, * * * Nature, not mind, did the work that the sun does on the planets. Man depended more and more absolutely on forces other than his own, and on instruments which superseded his senses. Bacon foretold it: 'Neither the naked hand nor the understanding, left to itself, can effect much. It is by instruments and help that the work is done.' Once done, the mind resumed its illusion, and society forgot its impotence; but no one better than Bacon knew its tricks, and for his true followers science always meant self-restraint, obedience, sensitiveness to impulse from without.

"Everyone admits that the will is a free force, habitually decided by motives. No one denies that motives exist adequate to decide the will; even though it may not always be conscious of them. Science has proved that forces, sensible and occult, physical and metaphysical, simple and complex, surround, traverse, vibrate, rotate, repel, attract, without stop; that man's senses are conscious of few, and only to a partial degree; but that, from the beginning of organic existence his consciousness has been induced, expanded, trained in the lines of sensitiveness; and that the rise of his faculties from a lower power to a higher, from a narrower to a wider field, may be due to the function of assimilating and storing outside force or forces. There is nothing unscientific in the idea that, beyond the lines of force felt by the senses, the universe may be—as it always has been—either a supersenuous chaos or a divine unity, which irresistibly attracts, and is either life or death to penetrate."

Such is a picture of the direction science must take and the results it must produce, as sketched in outline by Bacon 300 years ago, and as filled in with detail by Adams at the beginning of the scientific century. The only error either made was to underestimate the speed of the increasing impact of science upon life. No longer do we have time to stop and contemplate. The question today is—and it demands an immediate answer: Will science elevate total civilization to heights beyond imagination? Or will it doom civilization to destruction and possibly oblivion?

It is disturbing to think that the most spectacular, though not necessarily the most far-reaching achievements of science

have been made under the spur of war, for purposes of destruction. The release of nuclear energy is the latest and most portentous. Can its known capacity for evil be chained, and tamed for good? It is just as simple as that.

The forces of nature which impinge upon man, and the science which explains the operation of those forces, may be indifferent to good and evil. Man is a force, and he responds to forces, says Adams. But man is more than a force. There resides in him a will, as Adams also insists, and we believe that will to be a reflection of that unknown universe beyond the lines of sensuous forces. A scientist is first of all a man, and secondarily a scientist; he cannot afford to be merely a follower of blind forces. Therefore it is my earnest hope that as you spend a few days of exploration in our beautiful and exciting State, and subsequently as you go about the business of preparing yourselves for most promising careers in the field of science, you may, as the ancient phrase puts it, dedicate all your efforts to the glory of God and to your own advancement in knowledge and virtue.

IMPORT COMPETITION

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] 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 Texas?

There was no objection.

Mr. FOGARTY. Mr. Speaker, this is not the first time that I have spoken in support of the industries and the workers in my district who are struggling to hold their own against import competition. My district has textile mills, lacemaking facilities, jewelry, rubber footwear, and some machine tool manufacturing. All of them are under pressure from imports.

I have consistently championed their interests against low-cost imports that reflect the lower wages paid abroad. In recent years the competitive advantage of imports has broadened, if anything, because of the great advancement in technology in many foreign industries. I have in fact voted against the so-called reciprocal trade program over the years. I supported the escape clause and the peril point legislation which were designed to provide a remedy against serious injury suffered from imports.

The peril point provision was eliminated from the Trade Expansion Act of 1962, and the escape clause was greatly weakened. That was part of the reason I voted against that legislation. The so-called adjustment assistance provision by which the Government would compensate industries, companies or groups of workers that were seriously hurt by imports was substituted in great part for the escape clause. It was to be a great improvement over what it displaced.

As it has turned out after a year and a half, the adjustment assistance provision of the act was a sterile piece of legislation because it erected impossible or virtually impossible conditions as a condition precedent to its invocation. Not only was it necessary to prove that a tariff reduction was the major cause of the increase in imports that had occurred, but that the increase in imports was the major cause of the distress of which the industry, company, or labor group complained. The burden of proof was so onerous that all of the cases brought under the act since October 1962, when it first went into effect, failed to meet the requirements. Eleven cases have been processed. All 11 were rejected unanimously by the Commission.

Mr. Speaker, I wonder whether it makes much difference to an industry or the people working in the plants and mills, what caused an increase in imports. It seems to me that what counts is how heavy the imports are, whether they are growing and what damage they are doing and are likely to do. If there was no duty reduction but imports increased in any case, what difference does it make what explains the rise in imports if they inflict serious injury on the domestic industry? I say this because the law was unfortunately addressed not to the substantive facts of a situation but to the question of whether a tariff reduction was to blame.

Such a view overlooks the fact that the tariff, whether reduced or not in the past, evidently was not high enough to restrain the increase in imports. It also overlooks the possibility that new technological advances combined with low wages abroad may have brought a competitive advantage to a foreign industry that did not enjoy it before.

The Trade Expansion Act was still an expression of the doctrine that tariff reduction is a good thing in itself. It overlooked the legitimate interests of industry and labor in what might be or might soon become ruinous competition from abroad. Somehow it was thought that the interests of imports stood at a higher level than the interests of the domestic industry and its employees.

Nevertheless the Trade Expansion Act did provide for full hearings before the Tariff Commission before tariffs were to be cut. The purpose was, no doubt, to assure domestic industry of its rights and to comfort it with the idea that it would not be exposed willy-nilly to deep tariff cuts without first going through a fair hearing.

During the shapeup of the present GATT tariff conference hearings were indeed held by the Tariff Commission—4 months of them. The hearings process was honored.

Now, however, it is clear that the idea of wholesale, across-the-board tariff reductions has prevailed. This is wholly incompatible with the hearings and in fact makes a mockery of them. Nothing that was said there by hundreds of witnesses will produce any effect on the outcome. Nothing that was said by the many Members of Congress who went before the Commission will carry any weight. Why?

We have already heard the answer but it bears repeating many times over until it is heard and penetrates the minds of the hearers. The Tariff Commission hearings were rendered sterile when those who are in charge of negotiating the tariff reductions agreed as a condition of entering the negotiations that only the smallest number of exceptions would be made to the broad, across-the-board, 50-percent cut. Obviously if the tariff was to be cut uniformly in broad swaths there was no point at all in examining into each product by the Tariff Commission, probing how its competitive position differed from other products.

Mr. Speaker, there is evidence here that our negotiators are still laboring under the outdated notion that simply cutting a tariff is an act of economic virtue. Perhaps it never was, but it certainly is not now.

The reason lies in the vast changes that have occurred in recent years. These changes have put an entirely new face on the matter of international competitive standing of American industry. There is nothing complicated about the course of events that brought about the change.

We previously had the advantage of a great technological lead over other countries. In some cases, but not in all, this lead was wide enough to overcome the wage gap between our country and others. Today much of this technology has penetrated into other industrial countries. The rise in foreign productivity was a natural result, and it far outran the increase in foreign wages.

Many of our industries, recognizing this, shifted some of their investments overseas. By so doing, they were able to compete in countries to which we could no longer hope to continue exporting. As a result our foreign investments grew much faster proportionately than our investments at home. This was not good for our employment. Our industries did not grow as fast as those of Europe and Japan. One reason was that many of our industries were faced with great uncertainty. In many instances imports were rising rapidly and challenging our own producers in their home market. The cost advantage of imports was such that they were able to gain visibly on our own industries. The latter, therefore, held back with their investment in plant expansion because the prospects were not inviting.

Before long they found that they had to improve their cost position if they were not to be driven out of business. They, therefore, began investing more in modernization programs than anything else. The means by which the industries sought to save themselves—not always successfully, for many companies went out of business in the textile industry—was often at the expense of employment. The pressure to reduce costs simply meant that more laborsaving machinery must be installed.

This is something that those who try to assess the effect of imports on employment often completely overlook. They ask how many workers are displaced by imports, forgetting that many such displacements are indirect, as just indicated, that is, by bringing on labor-displacing installation. In yet other instances imports add to unemployment by discouraging business expansion because of the gloomy prospects brought on by rising imports. The new hands coming on the labor market are not employed as they would be in the absence of the import menace.

Mr. Speaker, bringing what I have said to bear on the present legislation, I wish to say that I am strongly in favor of it. It will not help against past damage; but it will save many of our industries from unnecessary and in fact unwise future damage.

If the articles that fall under the criteria of the bill are spared further tariff cuts a great benefit will have been achieved even if it is of a preventive character. We should not under the momentum of a past frenzy to reduce tariffs throw off the degree of caution that was exercised in the past. There is no magic at the end of this tariff-cutting rainbow. I assure you that there is not only no magic but quite the contrary; namely, grim unemployment, sagging profits and gloom. It is too often thought that industry and employment can quickly shift into something else, something new. This is an unfortunate and damaging illusion. Let us not be led by such illusions into tariff-cutting action that we would soon have reason deeply to regret.

I join my colleagues gladly in introducing the bill to amend the Trade Expansion Act with the purpose of moderating the damage of further tariff reduction. I also join in asking for expeditious action on the bill.

VETERANS' PENSION ACT OF 1964

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. LONG] 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 Texas?

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, I am today introducing a bill which seeks a compromise solution to the problems of needed pensions for our veterans. This bill, the Veterans' Pension Act of 1964, provides increased pension benefits for veterans of all wars, but it is also designed to recognize the special problems of World War I veterans.

In 1960, Congress passed Public Law 86-211, which modified pension programs existing at that time. We have now had 4 years' experience with this new pension law, and there are several corrections which should be made. My bill provides for the following basic changes in existing law:

First. The present law does not require the accounting of veterans' life insurance in computing income. This deduction is now extended to cover private or commercial life insurance in the case of death claims by a widow.

Second. Under present law, the widow is not required to count expenses of last illness and burial of the veteran in computing her income. This provision is extended to the veteran by my bill. Under this bill the veteran would be allowed to deduct the expenses of last illness and burial for his wife or children when figuring his income.

Third. This bill would provide for a deduction from income of unusual medical expenses by either the veteran or the widow, for themselves or their children.

Fourth. The proceeds from a fire insurance policy would not be counted as income, and income derived from the sale of a personal residence would not be counted.

Fifth. Under my bill, income received as payment for the discharge of a civic duty, such as jury service, would be exempt.

At the present time, a veteran must have a 10-percent permanent disability at age 65 to qualify for a pension, and this is resulting in expensive medical examinations which are disqualifying very few veterans. My bill would consider a 65-year-old veteran to be permanently and totally disabled, and he would not be required to take an examination. My bill would also permit pension benefits to be paid to a person suffering from active TB and hospitalized from the disease, even though the disability may not be permanent.

The aid and attendance allowance would be raised from $70 to $85 a month. There are 50,000 aid and attendance cases, and these veterans are badly in need of additional help because of their serious health problems.

This bill would also create a new category described as "permanently housebound," and this group would receive $35 a month in addition to the regular pension. This concept is presently used in the service-connected compensation program and should be extended to the pension program.

One of the principal purposes of this bill is an adjustment of income limitation rates, commensurate with the rising cost of living. Overall income limitations are not raised, but the first and intermediate steps are increased and the first and intermediate pension rates are increased. For instance, under this bill, a single veteran in the low income category would receive $90, a married veteran $100, and a widow $70. Under the proposed increase in the income limitation in the first and second step, veterans and widows could have more income and still qualify for the highest rate payable under the bill.

The recognition of the special problems of World War I veterans in the bill is the provision that, upon attainment of age 72, income limitations would be raised to $2,400 for the single veteran and $3,600 for the married veteran. The bill would pay these World War I veterans a pension of $100 a month. Very few veterans are capable of working at that age, and medical expenses usually rise, either for the veteran or his wife. In view of these rising costs it is appropriate that income limitations be liberalized, for these World War I veterans who have reached the age of 72.

In addition, this bill provides recognition for the veteran who served in active military, naval or air service outside the United States during World War I, World War II or the Korean conflict. Provision is made for a 10 percent increase in the pension in these cases.

I have introduced this bill because I believe that there is a need for continually updating our veterans' benefit programs; because, as our country continues to pay billions every year in foreign aid, and other billions in welfare payments it is only right that we should be equally generous to those who have sacrificed for their country in a time of need.

I firmly believe that veterans of this century of world conflict have a right to expect a grateful country's help in their declining years.

This is not charity we are extending; it is part payment to men who left home and loved ones to fight wars that they did not start, on ground that was not theirs.

Our national veterans' organizations have all favored differing approaches to the problems of various groups of veterans. In drafting this bill, I have tried to find the best way to combine those differing viewpoints into a consensus which expresses the desire which all share: That, for those who have sacrificed to save our country, we should be willing to grant relief at the time of their greatest need.

TRADE EXPANSION ACT OF 1962

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from New Mexico [Mr. MONTOYA] 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 Texas?

There was no objection.

Mr. MONTOYA. Mr. Speaker, over the past several months, I have been quite concerned over the adverse effect the increased importation of beef and beef products has had upon our domestic cattle industry. Of equal concern has been the closure of lead and zinc mines in New Mexico as a result of excessive imports of these commodities combined with a decline in metal prices.

I have appeared before the U.S. Tariff Commission on numerous occasions to request that tighter tariff restrictions be placed on these products so important to the economy of my State.

The beef industry has been and is faced with a critical situation and their problem, in turn, translates into an economic dilemma for the State of New Mexico. For example, beef cattle sales are responsible for about 50 percent of our total agricultural cash receipts. Those receipts amount to about $114 million per annum. Such receipts account for the fact that agriculture ranks second, in terms of dollar sales, among our basic State industries.

It is my carefully considered conclusion, based on the record, that the primary cause for our depressed market is the rise in imports as a percentage of our domestic production of beef, veal, beef cattle, and calves, which in 1962 was 10.6 percent as compared with 3.9 percent in 1957.

With respect to the lead and zinc industry, at one time New Mexico depended upon its lead and zinc mines for substantial employment of its citizens and for a large share of the State's financial income. From 1948 to 1952, the average aggregate production of both industries approximated $12 million annually. In 1952, there were about 1,200 men employed in the lead-zinc industry, while

today only about 300 are employed. Because of the rapid decline in metal prices from 1952 to 1962 and due to increased imports, our lead-zinc production dropped over 55 percent. The State has suffered severe unemployment, job insecurity, and a depressed economic condition in the communities completely dependent upon mining.

The enactment of this legislation to amend the Trade Expansion Act of 1962 would bring about some relief to both the cattle and lead-zinc industries and immeasurably improve our overall economy.

TARAS SHEVCHENKO

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. PUCINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. PUCINSKI. Mr. Speaker, if the arts mirror the age in which we live, then special tribute must be paid to the great artists in history who labored with pen, ink, brush, and canvas for social justice and equality.

Today we commemorate the 150th anniversary of the birth of Taras Shevchenko, poet of the Ukraine. He was truly the soul of a tormented age; his conscience could not let him be silent. Born a serf, he devoted his life to publicizing the incredible deprivation to which the peasants were subjected under the feudal system then in existence in Russia and Eastern Europe.

With his talent for poetry and his skill as an artist, he graphically depicted the social conditions of his time.

Liberty was more than a dream to him—it was a goal. Tirelessly he painted and wrote, always urging others to join him in his quest for an equality of human dignity. So pierced with truth was his poetry that Czar Nicholas banished him and thought to silence him by denying Shevchenko pen and paper. But Nicholas could not still Shevchenko's voice, nor the message which he brought to the Ukraine. Nicholas was unable to understand the stubborn determination of the Ukrainian people to be free. That spirit continues today and it is safe to predict that the Ukraine will again rise as a free and independent nation to reflect again the noble spirit of her people.

Shevchenko's cry for justice for all men traveled throughout every corner of Russia. Men who could not read learned his poems by hearing them recited and taught their message of hope to others.

Hope gave the people strength. They began to speak out, to think aloud and to press for changes in the feudal system. No longer would people blindly accept slavery as an unalterable fact of life.

When Shevchenko was permitted to return from his sentence of banishment, after 10 years in prison, a new czar, Alexander, ruled Russia. But Shevchenko was not content to see Alexander make a few halfhearted and placating attempts at reforming the old order.

He spoke out again and again through his eloquent poetry, condemning the old ways and appealing over and over again to men's reason and their sense of justice for all.

Men who remain in bondage in our enlightened 20th century—and I speak of those who live in the captive nations of Eastern Europe—cling to their hope of eventual freedom. These oppressed people, denied free elections, equal justice and the basic liberties we so often take for granted, know of Taras Shevchenko and the men like him in history who gave their lives in the cause of human freedom.

As guardians of this legacy of freedom, it is particularly fitting that we pause in our deliberations to acknowledge, and be grateful for, the noble and inspiring life of Taras Shevchenko.

The monument being dedicated to his honor here in Washington this weekend is an appropriate tribute to Shevchenko's dedication to freedom. Americans of Ukrainian descent who have made this monument possible deserve the gratitude of all Americans. It is fitting that here in the Nation's Capital, Shevchenko should join the ranks of numerous other defenders of human dignity whose monuments make Washington the capital of freedom.

Shevchenko's impressive struggle now becomes a part of our own Nation's magnificent effort to preserve freedom and human dignity for all. I congratulate the Ukrainian community in America for making this tribute to Taras Shevchenko possible.

PROPOSED MEMORIAL TO THE LATE PRESIDENT FRANKLIN DELANO ROOSEVELT

Mr.ROOSEVELT. 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 California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, it is reported today that the Fine Arts Commission has approved the design of a memorial proposed to be erected on land set aside in Washington, D.C., to commemorate Franklin Delano Roosevelt. I wish to state that it has come to my attention that the Chairman of the Franklin D. Roosevelt Memorial Commission has stated that no further action is required by the Congress of the United States and that the Commission can now go forward and build according to the approved design; this in face of the fact that, of course, the family of the late President did unanimously express their opinion that this is an undesirable design. Therefore I hope that some of my colleagues will join me in examining the legislation which is controlling, which is a joint resolution of August 11, 1955, supplemented by a joint resolution of September 1, 1959, and Public Law 87-842. And if, as a result of that examination it appears that the Congress has lost control in the matter of the erection of this memorial under this approved design, I hope that my colleagues will join with me in considering some legislation to do something about it.

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

Mr. ROOSEVELT. I yield to my good friend from Ohio.

Mr. SCHENCK. Mr. Speaker, I should like to join my colleague, the gentleman from California, in urging that proper action be taken to hold within the Congress authority to approve or reject any design proposed in memory of the late great President Franklin Delano Roosevelt.

At the time this was considered in the House it was my understanding that the Commission was to report back to the House by June 30, 1963. That report has not been made. No further report has been made.

Mr. Speaker, I join with my colleague from California in requesting that proper legislative action be taken in this matter.

Mr. ROOSEVELT. Mr. Speaker, I thank my good friend. May I say simply that I hope that this action will be taken even though the Commission may request no public appropriation by the Congress for the erection of this memorial; because, after all, it is to be erected on public land and I do not think any funds should be expended out of the public funds until the Congress has approved the design of the memorial.

Mr. SCHENCK. Mr. Speaker, may I say to my friend that I fully concur in his conclusions.

Mr. ROOSEVELT. I thank the gentleman.

PROPOSED GATT TARIFF REDUCTIONS THREATEN U.S. INDUSTRY, AGRICULTURE, AND EMPLOYMENT

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. PILLION] is recognized for 60 minutes.

Mr. PILLION Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include the text of the bill I have introduced, an explanation of its provisions, and a summary explanation of its provisions, and a summary explanation of the criteria contained in the bill.

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

There was no objection.

Mr. PILLION. Mr. Speaker, I have, today, introduced a bill to amend the Trade Expansion Act of 1962.

This bill is directed toward protecting American industry, American agriculture, and American workmen from increasing injurious foreign imports.

Special Representative for Trade Negotiations, Christian A. Herter, acting for this Nation, is currently engaged in tariff reduction negotiations at the General Agreement on Tariffs and Trade—GATT—Conference at Geneva. The

stated objectives of these GATT negotiations are:

First. A 50 percent across-the-board reduction in tariffs, with as few exceptions as possible;

Second. An agenda of over 5,000 foreign import items subject to the 50-percent tariff reduction with a bare minimum of reservation.

Third. Any U.S. list of reservations or exceptions would be subject to confrontation by other nations and justification on our part.

The U.S. Special Representative for Trade Negotiations accepted this agenda, and these objectives, and these ground rules in May 1963.

This agreement was made in advance of any public hearings to determine the economic impact of these agreements upon American labor, industry, and agriculture.

These agreements, in fact, amount to a substantial concession on our part to reduce our already low tariffs without reciprocal foreign tariff reductions on American exports.

These sweeping concessions on the part of the U.S. Special Representative, combined with present and proven injury caused by excessive imports resulted in an avalanche of protest from American industry, labor, and agriculture.

The fear of increasing injury resulting from reductions and expanding imports was evidenced by the 800 industries who filed 1,200 briefs of protest.

These briefs were filed with the U.S. Tariff Commission and the Trade Information Committee during their hearings held from December 1963 through March 1964. Overwhelmingly, these industries presented evidence of present and anticipated injury. The vast majority of witnesses requested that their production items be reserved and excluded from the pending GATT tariff reduction negotiations.

The expressed fear was that proposed U.S. tariff reductions would result in added injury to American industry and labor.

In my own district, I can specifically cite numerous industries which are already suffering under current low tariff rates. A partial list of affected industries in western New York include: Steel, cement, pig iron, dyes, chemicals, cellophane, electronics, auto parts, brass and copper mill products, ceramics, tiles and glassware, and bicycles.

I view with deep concern the serious unemployment and economic damage that will flow from the proposed tariff cuts and concessions.

It is my estimate that there are at least 11 manufacturing industries in the Buffalo area that are operating on a marginal profit basis.

Increased foreign import competition threatens to close these plants, employing over 10,000 workers.

Mr. Speaker, I am sure that a substantial number of Members of this House, can also give a similar list of industries in their districts suffering from excessive foreign competition.

ADJUSTMENT ASSISTANCE

The Trade Expansion Act of 1962 recognized and anticipated that tariff cuts would necessarily result in injury to American industry, labor, and agriculture.

This act established machinery for extending adjustment assistance to industry and labor where damage can be proven.

The record speaks for itself. Out of 11 applications for adjustment assistance submitted by industry and labor, not a single case has resulted in positive assistance.

Mr. Speaker, it has been proven beyond a reasonable doubt that the present procedures to compensate for damages caused by excessive foreign imports are wholly ineffective and impractical.

PILLION BILL

Mr. Speaker, the large number of Members who have cosponsored this bill indicates a nationwide concern for the protection of American industry and workmen from the threat of accelerated damaging foreign imports.

Mr. Speaker, this bill is not a panacea. It will not alleviate the damaging effects of the present flow of foreign imports.

This bill is designed to minimize the number of import items that can be the subject of negotiated tariff cuts or concessions.

This bill establishes specific statutory criteria and degrees of damage resulting from foreign imports.

If a segment of industry or labor suffers the prescribed degree of damage, its product will become mandatorily reserved from further tariff reduction negotiations.

Mr. Speaker, I would now like to enumerate a partial listing of industries that would receive protection under this bill.

A substantial number of articles and products of the following industries would be automatically excluded from future tariff reduction negotiations and concessions, if the criteria of damage is met: Steel products, dairy products, beef, lamb, wool, citrus, dried fruits, nuts, cotton products, textiles, shoes, hats, millinery, gloves, men's haberdashery, copper and brass mill products, glassware, pottery, ceramics, tiles, bicycles, guns, pins, wood screws, needles, watches, electronic products, office equipment, plywoods and lumber products, cement and concrete products, synthetic organic chemicals, dyestuffs, automotive parts, rubber products, and fishery products.

H.R. 11797

A bill to amend the Trade Expansion Act of 1962

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 225 of the Trade Expansion Act of 1962 be amended by adding to the end thereof the following:

"(d) In addition to the articles described by subsections (a), (b) and (c), the President, notwithstanding other provisions of this Act, shall also reserve articles, or groups of closely related articles that produce or tend to produce a combined competitive impact upon the like or directly competitive domestic article or groups of closely related articles,

"(1) the imports or net imports of which have increased 100 per centum or more either in quantity or in value since 1958: *Provided,* That the imports of such article, or group of articles, have within any one of the calendar years since 1958 equaled at least 10 per centum of the domestic production, either in quantity or in value, of the like or directly competitive article or group of articles; or

"(2) the imports or net imports of which have during any year since 1958 equaled 20 per centum or more of domestic production, either in quantity or in value, of the like or directly competitive article, or group of articles: *Provided,* That the imports have increased in greater proportion either in quantity or in value than domestic production of the like or directly competitive article, or group of articles, since 1958; or

"(3) the imports or net imports of which have been limited quantitatively or have had a rate of duty increase under section 7 of the Trade Agreements Extension Act of 1951, as amended; or

"(4) in the domestic production of which the number of production workers has declined at least 10 per centum cumulatively or in any one year since 1958 while imports of the like or directly competitive article, or group of articles, have increased, actually or relatively, compared with domestic production, during any one year since 1958; or

"(5) for which the United States Department of Agriculture has in effect a program of price support or price stabilization under the Agricultural Adjustment Act, as amended, or a program under the Soil Conservation and Domestic Allotment Act, as amended; or

"(6) for which the United States Department of the Interior has in effect research or conservation programs pursuant to section 742(f) of title 16, United States Code (August 8, 1956, ch. 1036, sec. 7, 70 Stat. 1122); or

"(7) the imports of which are the subject of an international agreement negotiated under the authority of section 204, Agricultural Adjustment Act of 1956, as amended; or

"(8) on which any developed country or instrumentality maintains restrictions falling under section 252 (b) or (c) of this Act, whether such restrictions are applied to all imports of such articles or only to imports of such articles from particular countries.

"(e) Before reserving any article, or group of articles, as provided in subsection (d) of this section, the President shall receive from the United States Tariff Commission a statement certifying that the article, or group of articles, meets one or more of the criteria set forth in paragraphs (1), (2), (3), (4), (5), (6), (7) or (8) of subsection (d) of this section if the facts sustain an affirmative finding. The Tariff Commission shall within sixty days make such certification to the President after a petition for such certification has been filed before it by a domestic producer of any article, or group of articles, by an association of such producers, by a group of workers engaged in the production of any such article, or group of articles, or by any other interested party.

"(f) Nothing in this Act shall be interpreted as authorizing changes in the bases of customs valuation or elimination of statutory nontariff trade restrictions."

EXPLANATION OF THE BILL TO AMEND THE TRADE EXPANSION ACT OF 1962

A new category would be added to the articles that are reserved under section 225 of the act against further tariff reduction. The proposed new category consists of eight classes of articles. All articles or groups of articles that would meet one or more of the eight criteria of the bill would be removed from the President's list of items offered for tariff reduction. The eight criteria or classes of articles follow:

(1) The first subsection would consist of articles that had registered a 100-percent increase in imports or more since 1958 if total imports in any year since then had supplied at least 10 percent of domestic production of the article.

To understand what this means it is necessary to have in mind the term "article" rather than some broad category such as steel or textiles or chemicals. The term "article" in the case of steel, for example, might mean reinforcement bars, nails, or other easily identifiable steel product. However, a group of closely related articles that jointly produce a competitive impact could also be considered as a unit for reservation.

If articles that meet the specifications under this paragraph were reserved, the so-called linear or broad category approach to tariff reduction, for which there is no proper justification, would have some of its sting drawn.

COMMENT

A number of articles or closely related groups of articles would meet this criterion. While no exact listing can be made, it seems safe to say that the following items would be included: Steel (wire nails and staples, barbed wire, woven wire fence, wire rods, reinforcing bars, ingots, blooms, billets, slabs, etc., pipe and tubing); beef, lamb, wool; dairy products; citrus products, dried fruits and nuts; cotton textiles, shoes, hats and millinery, gloves, men's haberdashery; copper and brass mill products; glassware, pottery, ceramics, certain tiles; bicycles, guns, pins, wood screws, needles, watches; electronic products and office equipment; plywoods and lumber products; cement, concrete products; synthetic organic chemicals, dyestuffs; automotive parts; rubber products; fishery products.

(2) The second class of articles would consist of those of which imports had for some years captured a large share of the market, i.e., at least 20 percent. In recent years, the imports might have been more or less static. However, they might have the effect of holding down the expansion of the domestic industry. Therefore, if imports since 1958 had increased more than domestic production, the article would also be removed from the President's negotiation list. Some of the articles of the preceding paragraph would also fall into this category. It is added to meet situations where imports need not have doubled in order to make the article eligible. If imports were already at the 20-percent level a doubling of imports would not be necessary to justify removal from the President's list.

Again, it would be the imports of the "article" or group of closely related articles not necessarily the whole spectrum of products made by an industry that would be examined to determine whether it would qualify for reservation.

(3) The third group would withhold items that are under an import quota limitation or had been accorded a tariff increase under the escape clause. Lead and zinc and bicycles would be includes in this category; also women's hats of certain value brackets; and possibly several other items of modest output.

(4) There is another situation that would make further tariff reduction unjustified. If since 1958 employment of production workers in the domestic industry has declined by as much as 10 percent, cumulatively or in any 1 year while imports have increased compared with domestic production, the evidence, again, is overwhelming that imports have an advantage even at the present duty level. A further tariff reduction therefore could not be justified. If a reduction were nevertheless made it could be done only with the deliberate intent of inviting imports to create yet greater havoc. Employment is a very important consideration in assessing the effect of imports, and this subsection is designed for this purpose.

(5) The fifth group of the amendment would consist of farm products that are under price support or under a price stabilization program, or under soil conservation programs. Further tariff reductions would simply aggravate the surplus situation and increase the cost of the agricultural program. Dairy products, wheat and wheat flour, and other farm products that are under price support or marketing agreements, would be included.

(6) The sixth group would consist of imports of fishery products in those cases in which the Department of the Interior has in effect research or conservation programs for the preservation of a commercial fishery. The success of such programs would be materially retarded or doomed if imports were encouraged by further tariff reductions. Already imports have come to exceed domestic production of fishery products.

(7) The seventh subsection would eliminate cotton textiles, which are the subject of an international agreement that limits exports of cotton textiles to this country by category. It was negotiated because cotton textile imports had made deep inroads into the domestic market under the existing duty rates.

To cut these rates now would place cotton textiles into a weaker position than before the international agreement was made. The agreement has not much over 3 years to run and it could then be terminated. If meantime the existing duty were cut, ruination would face the industry.

(8) The eighth subsection is aimed at the practice of European countries to restrict imports from Japan and thus creating greater pressure for Japanese exports to the United States. If we reduce our tariffs further while European countries maintain their restrictions, this country will become the dumping ground for Japanese goods that Europe will accept only in small quantities. The whole purpose of the amendment would be to lift from industry, agriculture and labor the depressing prospect of yet sharper import competition in those instances in which the present tariff itself is not high enough to keep imports from damaging domestic production and discouraging domestic expansion.

Finally, subsection (f) provides that no statutory nontariff trade restrictions may be eliminated, or changes in the bases of customs valuation negotiated.

This provision would prevent elimination of the American selling price as a basis of customs valuation. The chemical industry, rubber-soled footwear and one or two other items would be safeguarded in their possession of the American selling price as the basis of duty assessment.

The Buy American Act, the Antidumping Act, the manufacturing clause of our copyright law and the countervailing duty provision of the Tariff Act of 1930 would be removed from the powers of our negotiators to modify these laws in their bargaining with GATT.

CRITERIA IN BILL FOR RESERVATION FROM U.S. NEGOTIABLE LIST

Imports increased 100 percent, imports 10 percent of domestic production.

First criteria:

Bill provides: Imports have doubled since 1958 (last previous reciprocal trade bill); and imports equal 10 percent of domestic production.

Explanation: If an article's imports have doubled since 1958, and also constitute 10 percent of domestic production, then both from increasing import view and if portion of domestic production is 10 percent, the tariff has not been too high, and tariffs should not be cut.

Comment: The first criteria would include, and reserve from negotiation: Steel, beef, lamb, wool, dairy products, cotton, textiles, plywoods, synthetic chemicals, and so forth.

Imports equal 20 percent of domestic production, imports increased more than domestic production.

Second criteria:

Bill provides: Imports in any year since 1958 equals 20 percent of domestic production; and imports have increased more than domestic production, since 1958.

Explanation: Articles instead of whole industry production is used as gage.

Comment: If a foreign product holds 20 percent of our market and has increased faster than domestic production since 1958, the existing tariff can be too high. It should be reserved from further reduction negotiations.

ARTICLES UNDER U.S. QUOTA LIMITATION OR ESCAPE CLAUSE

Third criteria:

Bill provides: Items under a U.S. import quota limitation; or have been accorded tariff increases under escape clause.

Comment: Zinc, lead, bicycles, hats, etc., would be included in this category of reservations.

EMPLOYMENT DECLINED 10 PERCENT, AND IMPORTS INCREASED

Fourth criteria:

Bill provides: Domestic production employment has declined 10 percent since 1958; and imports have increased in any one year since 1958.

Comment: Since employment has already declined 10 percent, and imports have increased, further tariff reductions would damage the industry and increase unemployment in a depressed industry.

PRODUCTS UNDER U.S. AGRICULTURE PRICE SUPPORTS OR PRICE STABILIZATION

Fifth criteria:

Bill provides: Agricultural products under price supports or price stabilization or Domestic Allotment Act, or Soil Conservation Act.

Comment: Reduced tariffs would only aggravate a surplus situation. Most affected would be: Wheat products, dairy products.

FISHERY PRODUCTS HAVING DEPARTMENT OF INTERIOR RESEARCH OR CONSERVATION PROGRAMS

Sixth criteria:

Bill provides: Fishery products where Department of Interior has research or conservation protection projects.

Comment: Where United States has recognized need to protect a product by research etc., then it would be unwise to aggravate problem by increasing imports, if tariffs are further reduced. Imports already exceed domestic production.

COTTON TEXTILES UNDER INTERNATIONAL AGREEMENT LIMITATION TO UNITED STATES BY CATEGORY

Seventh criteria:

Bill provides: Cotton textiles imports to United States are subject to limitation by international agreement.

Comment: This limitation was imposed because cotton imports made deep inroads into U.S. production under present tariffs. To reduce tariffs would aggravate a recognized existing injurious situation. It would ruin cotton industry. Agreement has 3 years to run.

WHERE NATIONS MAINTAIN RESTRICTIONS AGAINST OTHER NATIONS IMPORTS UNDER SECTION 252(b) OR (c) OF TRADE EXPANSION ACT OF 1962

Eighth criteria:

Bill provides: Articles would be reserved from tariff reduction negotiation, where a nation maintains trade restrictions as defined in section 252 (b) or (c) of 1962 Trade Expansion Act.

Comment: This criteria is aimed at practice of European nations who restrict imports from Japan, creating pressures upon Japan to export to United States.

If we reduce tariffs further on items having restricted imports by European nations,

the United States will become dumping ground for Japanese goods.

U.S. TRADE PROTECTIVE STATUTES

The following U.S. trade protective provisions would be maintained by statute and their negotiation for elimination or modification prohibited.

1. U.S. selling price as basis for customs and tariff valuation. Chemical industry, rubber footwear, etc., protected.
2. The Antidumping Act.
3. The Buy American Act.
4. Countervailing duty provision of Tariff Act of 1930.

Mr. PILLION. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRAY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BRAY. Mr. Speaker, I am happy to associate myself with the efforts of the gentleman from New York [Mr. PILLION] to give some measure of protection to hundreds of American businesses and thousands of American workers.

Through the years I have been among those in this body who repeatedly have tried to call attention to the very serious and harmful effects which rapidly mounting imported products were having on our own domestic production. There have been countless instances cited. As has been documented several times, the pleas of injured industries usually fall on deaf ears at the Tariff Commission.

We have tried to get remedial legislation many times; at least to provide an effective means of relief when American industries and jobs are threatened with extinction by import competition. When the much-heralded Trade Expansion Act was before the Congress, we tried again in vain to write in adequate protection.

So now we have the effort suggested by the gentleman from New York [Mr. PILLION] and the gentleman from North Carolina [Mr. WHITENER].

What this legislation seeks to do is really simple enough—and a modest attempt under the circumstances. It does not propose any great rollback in tariff practices. It merely asks that the tariff cutting be suspended—that it go no further—on hundreds of articles which already have been limited by the competition from countries of cheap labor.

The gentleman from New York [Mr. PILLION] already has pointed out that more than 800 industries appeared before the U.S. Tariff Commission and the Trade Information Committee to object to the inclusion of their production items in the current GATT negotiations.

The legislation proposed establishes eight new catagories of articles which would be removed from further tariff-cutting negotiation. Any articles which qualify under any of these eight criteria would be removed from the President's list of items offered for tariff reduction.

Mr. Speaker, I for one believe we have delayed this protection far too long. While we talk of stopping poverty, and of broad new programs designed to bring new jobs to Americans, yet we let more and more jobs be destroyed by the competition of cheap labor products from abroad.

Let us give adequate protection to our own industries and workers, and then see how much additional help is needed to wipe out pockets of poverty and to stimulate new economic activity.

Mr. PILLION. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MCCLORY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MCCLORY. Mr. Speaker, I wish to add my support to the legislation that has been introduced here this afternoon to amend the Trade Expansion Act. I think this proposed legislation is not only in order but fills a great need. If we do not legislate stricter guidelines for our tariff negotiators with GATT many of our industries that even under present tariff rates are suffering from imports, will find their very existence threatened.

As matters stand the prospects are for a 50-percent tariff reduction across the board with some exceptions. These exceptions are to be laid before GATT at its meeting to be held on November 16. Other GATT members will then be privileged to question our inclusion on items on this list and, of course, our negotiators may then reduce this list.

This agreement was reached over a year ago by the GATT Council of Ministers. In order to prevent a breakdown our chief negotiator agreed that all tariff items would be offered for negotiation, that is, tariff cuts with a minimum of exceptions.

A year later, during the opening meeting of GATT when the tariffcutting conference was officially opened on May 4, 1964, it was agreed that the 50-percent hypothesis would be adhered to when the actual tariff negotiations get underway. This will not be before November of this year.

We face then a combination of agreements governing the negotiations: First, there will be a minimum of exceptions. We have listed all our tariff items with the exception of those withheld by the 1962 act. Second, the cuts will be 50 percent except for those items that answer the "disparity" formula, a formula that has not yet been finally settled. We will be expected in those cases where an individual rate is quite high to reduce our rate 50 percent while the other countries could reduce their corresponding rate by a smaller percentage. In a few instances we might be the beneficiary, that is, where the rates of other countries on individual items were much higher than our rates.

These two agreements have had the effect of rendering quite meaningless the hearings that were held last winter before our Tariff Commission. These hearings were specifically required by Congress in the 1962 act as a preliminary to negotiations with GATT. They were intended to supply information to the President's negotiators for their guidance. Furthermore, this information was intended to cover all aspects necessary to reach a judgment about possible tariff reductions, and it was to be specific rather than general. It was in other words, to relate to particular products and not merely to broad generalizations. It was intended to acquaint the Commission with the pertinent trends in such matters as domestic production, prices, profits, wages, imports, the trend of imports, their effect on domestic employment, and so forth.

Mr. Speaker, I appeared before the Commission myself in the interest of a certain electronics parts manufacturer in my district. Now I must inquire whether this was not a waste of time because of the rules agreed to by our negotiators, that I have described.

I am a sponsor of this legislation because it is needed to remind our negotiators of the intent of the Congress in the 1962 act as I understand it. In my opinion this is a matter of our constitutional responsibility as the legislative branch of our Government for the regulation of our foreign commerce.

As I mentioned a moment ago one of the industries in my district is the manufacture of electronics parts. This is one of those significant new industries to which we look in the United States for growth and expansion. This industry did indeed grow and expand. However, in recent years imports have played havoc with that part of the industry that is devoted to consumer goods, specifically TV and radio.

We have lost our export position and imports are now crowding in very badly. Actually, even if no further tariff reduction is made, the industry stands at a great disadvantage. If the tariff is cut again to any extent it will aggravate the present difficulty.

Mr. Speaker, if our growth industries, those that are centered around new products, promising new uses and new developments, cannot hold their own in this country against imports, where will we turn for increases in employment? If these lively industries are to be stifled and retarded or stunted by imports, we cannot hope to meet our employment problem, much less hope to stamp out poverty. We will in fact contribute to the conditions that produce poverty.

If passed by the Congress, the present bill would at least prevent a farther slide downhill and would give some of our industries renewed hope that in the future they might have a better chance to develop the home market than they have under present conditions. In addition, I feel that this bill will strengthen the hands of our tariff negotiators.

Mr. Speaker, I hope that this bill will be given an early hearing by the appropriate committee of the House, and that it may come to the floor before the end of this session.

Mr. PILLION. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. BATTIN] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BATTIN. Mr. Speaker, I am honored to represent the second or eastern district of Montana, an area larger than several of our States and one in which livestock raising is a major industry. In fact many of my constituents depend entirely on cattle and sheep for their livelihood.

Some 60 percent of all Montana lands are range lands and are valuable only for livestock production and many Montana communities are wholly dependent on the cattle business. Feed and forage on these rangelands is valuable as the end product of beef, veal, lamb, mutton, or wool—but principally beef from quality cattle. In introducing this bill which is designed to protect American industry and American workmen from excessive foreign imports, I would like to point out the very real and damaging effects meat imports have already had on Montana cattlemen and the severe loss to the Montana economy generally. Cattle exported from the State are actually the source of Montana's principal income.

And when imports of beef and beef products run at a rate of more than twice the cattle equivalent of all the cattle produced in Montana each year, then I fail to understand how anyone can say beef imports are not the major factor in the presently depressed condition of the cattle market. In fact I would like to quote from a letter I received from a Montana banker, a former cattleman himself and now a vice president of one of the leading banks in the State. He wrote:

Finally, Jim, we in the banking business know that, if the situation continues and the price of livestock remains at the current status or tends to decline even further, we will have to take a very close look at many of the loans we now have on the books. I have lived in Montana all of my life, having been in the livestock business, both in the trading of livestock throughout the Western United States and as a rancher myself, and also as an agricultural banker. I cannot see how the State of Montana, which depends primarily on agriculture and livestock production, can go along with the program as it exists today without a serious loss to the Montana economy. If this continues, the $1½ million per month lost to the Montana economy, as stated by the Montana Stock Growers Association, will be only a drop in the bucket.

Another Montana banker wrote me as follows:

Our bank finances over 300 ranchers in this area and we have over 7,000 depositing ranch customers in our bank. We are vitally concerned with the overall operations of these people as agriculture is one of the largest economic forces in our State. We are deeply concerned over recent actions in the House of Representatives in the handling of this import situation. It seems to us that this is a matter of appeasement and that Australia and New Zealand are dictating to us and we are passively accepting their terms. I am sure that you would agree that a cutback in imports of one-quarter pound of meat per person per year will certainly not be of any significance to American producers. I realize the necessity of trading with other countries but certainly we should have some say in regard to the basis of our trade negotiations with them in regard to both imports and exports.

And I would like to quote a few paragraphs from the many hundreds of letters I have received from Montana cattlemen during recent months:

As cattlemen, we are deeply disturbed at the reported settlement on beef import quotas with New Zealand and Australia and the subsequent failure of the amendment to the farm bill.

Our industry has been operating at a loss most of the years out of the last 10, and the outlook presently seems even more difficult than during the last few years. It is our strong belief that the cattle industry now needs some Government help in protecting it from ultimate failure due to the lack of any profits. We believe there must be an answer to some of the problems over which we as cattlemen have no control.

Another rancher puts it this way:

Competition in agriculture today is extreme. In order to survive a farmer or rancher must have a certain amount of volume and a quality product. In order to have volume he must have land. Land values are at their highest. Investment companies and businessmen buy ranches in order to have deductions from their income tax and still have a sound investment; and corporation farms are paying premiums for all sizes of acreages. And now the unseen competitor, our "friends" from "down under," are selling their wares (red meat) to a point that has hurt the American cattleman. We are still paying property taxes on high land and cattle values and buying equipment that hasn't declined any in price.

Here are others:

Montana and the livestock industry cannot afford to be used (as pawns) in the international trade agreements.

We are buying labor, supplies, and equipment at prevailing U.S. prices. As you know, Montana depends heavily on property taxes for its county and State revenue. Property taxes are continually climbing, and the ranchers are paying a considerable proportion of these taxes to support schools and government in Montana. Our cost of production is comparatively fixed by these costs. I repeat—we just cannot compete with countries that have much lower costs of production than we do.

A Shelby rancher who also operates a feed lot offered some very real statistics: He wrote this letter in December and prices are even lower now than they were at that time.

I live 10 miles from Shelby and operate 11,700 acres, chiefly livestock. I raise cows and calves and also fatten cattle. I have 190 steers and heifers now in the feedlot and will market them beginning in January. I also winter 130 steers and 220 calves for later feeding placement.

Let me give an example how price range affects me; 190 cattle to be marketed at 1,100 pounds means $1,045 with every half cent variation in price. The price drop since they were put on feed is about 3 cents per pound so it involves a serious loss. Right now I will be taking a slight loss or perhaps a break-even price.

The last 2 years have been near disastrous to cattle feeders in particular. Our costs are so high that we cannot make anything and stand a good chance of a loss. We do not want any control system on livestock, but feel we should have some legislation to protect our investment and guarantee a reasonable profit.

Another rancher said:

If this country is going to continue to provide foreign aid to most of the countries of the world, I think it is imperative that the domestic industries which provide the bulk of these funds be kept on a sound economic basis.

Now it seems obvious to me that cattlemen have suffered a real loss from low cattle prices during the past year and that these low prices are likely to continue for some time in view of increased domestic production on top of imports. And it seems obvious, too, that the cattle industry should not be expected to contribute 10 or 11 percent of its market to foreign meat produced at costs far below ours.

In any study of tariffs it becomes immediately obvious that this Nation in the last 30 years has steadily reduced its import duties on most goods coming into the country. Most of us have no quarrel with our Tariff Commission which bases its decisions on a realistic appraisal of the impact cheaply produced oversea goods may have on our domestic economy.

However, it seems that some of our diplomats give priority to agreements with other countries to the detriment of our domestic economy and the welfare of our own citizens. Foreign trade must be a two-way street and tariff rates and quotas should be based on agreements that are wholly and completely reciprocal. Neither can we allow uncontrolled imports of one commodity such as beef to wreck a domestic industry because we may have a favorable balance of overall exports over imports.

Surely we cannot say that because some country buys some of our surplus machinery we should buy all of their surplus beef.

Land costs, labor costs, and other costs that go into most of the beef we import are far less than ours.

The AFL–CIO executive council last February urged the United States to take the lead in wiping out what it called unfair international trade competition based on the exploitation of labor. Heavy imports of goods from a country whose wage costs are far below those of the United States "may undercut standards of American workers," the council said.

The day of free trade among all nations may come and I hope it does if at the same time the people who produce these cheap imports can raise their standard of living to something comparable to ours in which case I believe their costs would more nearly approximate ours and then there could be true competition between our producers and theirs for the world market.

But until that happy day arrives, we cannot expect our ranchers and cattlemen to lower their standard of living to that of a rancher in some other parts of the world.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

Mr. PILLION. I yield.

Mr. HARVEY of Indiana. Mr. Speaker, I want to associate myself with the sentiments and the expressions of the gentleman from New York. I have today introduced a bill similar to the one he is introducing.

Mr. PILLION. I thank the gentleman. I have known of the gentleman's

keen interest in the protection of American industry and American labor and agriculture.

Mr. HARVEY of Indiana. I thank the gentleman.

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

Mr. PILLION. I yield to the gentleman from South Carolina.

Mr. ASHMORE. Mr. Speaker, I am happy to join a number of my colleagues today in the introduction of a bill to amend the Trade Expansion Act of 1962. The purpose of this amendment is to lift from industry, agriculture and labor the depressing prospect of yet sharper import competition in those instances in which the present tariff itself is not high enough to keep imports from damaging domestic production and discouraging domestic expansion.

Mr. Speaker, on April 29, speaking of the GATT conference that was to open on May 4, I said:

It is with the deepest concern that I wish to speak about the potentially injurious effects of possible tariff concessions to be negotiated by the United States in the forthcoming GATT talks starting on May 4 at Geneva.

Since our special representative on trade negotiations has had his assistants in Geneva for several weeks preparing for preliminary discussions and laying the ground rules under which the formal tariff concessions will be evaluated, I think the time is ripe for us in Congress to take cognizance of what is going to happen there after May 4 and what may be the possible effect of such tariff trading on certain vital domestic industries.

I view with considerable alarm the deleterious results that will accrue to many of our most vital industries, especially the small business field, if uncontrolled tariff concessions on our part are to be the order of the day at Geneva.

Mr. Speaker, May 4 has come and gone. It was agreed by the assembled members of GATT that they would proceed on the hypothesis of a 50-percent reduction. Certain exceptions would be allowed and each country was to submit its list of exceptions at the next meeting which was to be September 10. This date was later changed to November 16.

Since it was agreed in May of last year that we would keep our exceptions to a bare minimum, the doom of many of our industries is already sealed. Those that cannot face a further rise in imports will find the outlook very discouraging. Those that can do so will do what many others have already done, namely, move some of their production overseas. The impact on labor will be unfortunate. Many people will be thrown out of work and others who had hoped to find employment in an expanding industry will be disappointed, because industry does not expand under such discouraging prospects.

Oh yes, they may make investments but these will be largely in the form of modernization and substituting modern and more productive machinery for the old. Thus will they seek to reduce costs to become more competitive and remain in business. In seeking to save their business they will inevitably reduce their work force, for this is the only way to effect any real savings.

The merry-go-round goes something like this: the American industry finds its market invaded by imported goods that sell at lower prices than the market level. The imports gain customers which in most instances they take away from the domestic industry. The latter becomes alarmed and soon recognizes that it must reduce its own prices or the imports will crowd its goods off the market.

But how reduce prices if profits are already at a low level? Only one way is open. That is to reduce the cost of production. Production costs are quite rigid, what with wages untouchable, costs of materials the same for the same reason, what with taxes very rigid and everything else quite inelastic. The only real possibility will be found to lie in improved technology, that is, more productive machinery, more advanced processes or formula and other elements of efficiency.

This means that more output can be had with fewer workers.

Yet, so great is the pressure that the step must be taken; and as the "modernization" proceeds apace workers are displaced. Mind you, this can happen as a result of domestic competition, but imports aggravate both the pressure and the speed of response.

Where can the workers go? That is the question the theorists have not been able to answer. In the good old days when costs were reduced and prices lowered, consumption could be expected to increase handsomely except in the staples. The increase in consumption would call for more production, and as this type of cost reduction went on and consumption increased in many lines, all sorts of supporting activities would also increase, with the result, all in all, that employment increased. The workers who were displaced faced new employment as the expansion became general.

Mr. Speaker, it was this system that accounted for the American mass production economy and mass consumption.

But now if imports are the cause of the modernization, it is a case not of expanding but of staying in business; and the lowered prices will be chasing imports around the bush until the domestic producer can go no lower. He is at or below the break-even point. So the imports get the principal benefit of any increase in consumption, and the domestic industry takes the remainder; and this is too small to support optimism, confidence, and expansion.

A degree of stagnation then sets in. Our bigger companies can open up abroad, and the dollars they did not invest at home for expansion go abroad where the outlook is better.

In recent times our economy has been buoyed by tax reduction, investment credits, and accelerated depreciation, and we get the impression that we are competing very nicely with imports. While in some instances we can and do compete, let us not fool ourselves. The facts are still here. Foreign wages are still far below ours and will no doubt stay that way for a long time. Foreign technology meantime has vastly improved and that fact together with the lower wages abroad has placed more of our industries on the defensive. Industries that were long noted as exporters have lost their position of net exporters and the end is not yet. We think of automobiles, petroleum, steel, textiles, typewriters, sewing machines, consumer electronics, and so forth, as typical American industries that had nothing to fear from imports. Their exports ran away ahead of imports. Now this has changed. They are net importers, some of them at a wide margin.

But, someone will say, these industries are prosperous; so what is wrong? The answer is look at employment in these industries. A little different impression will be made. Of course, the automobile companies are heavily established overseas as are the oil companies, the office machine industry, the sewing machines, and the electronic industry. So far the steel and textile industries have not ventured very deeply into production abroad. The time will no doubt soon come if something is not done meantime to assure a more secure market at home.

The large companies can hedge their position by going abroad. Not so small companies, not so labor, and not so the farmers—with some exceptions.

The trend means a slimming down of our production base and becoming top-heavy with nonproduction types of employment that raise the cost of living.

Mr. Speaker, I feel strongly that we must call a halt in this wild mood to cut our tariffs to the ground. It does not under present circumstances make sense. It invites deep trouble.

That is why I favor this legislation and why I am introducing it. It can be a lifesaver to all those industries that meet the criteria. In general these criteria would exempt products from further tariff reductions if the imports are already at a high level, or, if imports are growing faster than domestic production and employment, or if they would upset certain Government programs designed to help certain industries, such as farm price supports, the American Selling Price, Buy American Act, Antidumping Act, etc. These may be regarded as fair game for bargaining even though they have separate statutory status in this country.

The industries in my district such as chemicals and glassware will meet the same kind of discouragement that has confronted the other industries if we insist on acting as if the competitive level of all countries were the same. You and I know that it is not. We know that other countries have great advantages over us in the form of costs. The question is, does the State Department know, or, knowing it, does it give the fact the least weight? It appears to ignore these vital facts of life.

I think we should therefore legislate more specifically so that the State Department can have no doubt about our meaning.

I will ask the Committee on Ways and Means for early hearings because action is necessary before next November.

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

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

Mr. HALL. Mr. Speaker, I should like to commend the gentleman for this

worthwhile treatise he has brought here today. I have joined with him in submitting a companion bill. I think it is very pertinent and timely that we consider amendments to the Trade Expansion Act of 1962, as it was erroneously called at that time. I predicted then and I think we have seen time overtake this and confirm the evidence that this has started the steady downgrading of our international relations on an economic basis as far as our products are concerned as exports and their relation to our imports is concerned.

It seems, as was brought out at the time of that debate, as I can well remember, that we have attempted one thing that everyone could use and could see, and with the old formula of cost equalling production plus delivery, estimate what we had to have for a product that we sent overseas, for which there was a great demand and a needed market, around the world, in fact, for our natural resources, hard work, and delivery ability. But this has not been the way it has worked out. We have had our President, through the quota system and the ability to reduce effective tariffs up to 50 percent, act "in the best interests of foreign relations." We indeed have lost our market and have failed to protect the man whom we have built up to such a high income and standard of living that he can no longer live without protection. In other words, Mr. Speaker, I think the gentleman will agree that we have seen a very gradual but consistent demise of the goose that laid the golden egg. In fact, something must be done about it if, indeed, we are to protect our productivity as well as our people because the other nations not only in GATT and in these other agreements use various devices such as currency exchange and such as intersovereignnation agreements between themselves and such as actual laws excluding things, such as the variable duty tariff that I mentioned. Whereas we are left in the position of having said:

> This is ours and we will start dealing from what we have in our stock to see what we can give to the rest of the world and not once protecting our workingmen and farmers and producers.

I would particularly commend the gentleman for bringing this up at this time because it involves lead and zinc which was the subject of action by unanimous consent on the floor of this House today, and it puts us in the paradoxical position of giving the consumer and user lead and zinc and molybdenum and other metals in our national stockpile at the same time that we are subsidizing our mines which are shut down and, yet, we have great reserves of these things in these areas and we are doing it in order to stabilize commerce because there is, in fact, a shortage. Yet, we are importing these things.

The same thing is true of shoes as it affects the district that I am privileged to represent, and especially dairy products and beef.

I commend the gentleman and join with him and I will be happy to work with him in the future toward anything that we can do to amend this vicious thing that was forced through the Congress—and I say forced advisedly—with all the benefits of patronage and arm twisting and everything else without adequate debate or comment back in 1962. It was a sad day when this law was passed to represent the policy of this Nation. The least we can do is to try to correct it, having stood idly by when it passed.

Mr. PILLION. Mr. Speaker, I am most grateful to the gentleman for his very fine contribution here today. I know of his great interest in this subject. I know of his great desire to protect American industry from further ravages due to foreign imports. I agree with the gentleman's statement completely and am in sympathy with the objectives stated by the gentleman from Missouri.

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

Mr. PILLION. I yield to the gentleman from Texas.

Mr. FOREMAN. Mr. Speaker, I am pleased to join the distinguished gentleman from New York [Mr. PILLION] in his comments and introduction of this trade legislation today. Many industries in this country today are suffering because of excessive imports of foreign goods, not the least of which are the growing and damaging imports of oil and beef and meat products. The production of these important products is vital to our national economy, and particularly, to the economy of the State of Texas. We cannot permit imports of these items to continue to rise to the detriment of our own domestic industry. I commend the gentleman and I am pleased to join him in this important legislation.

Mr. PILLION. Mr. Speaker, I thank the gentleman for his valuable contribution to this subject.

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

Mr. PILLION. I yield to the gentleman from North Carolina.

Mr. KORNEGAY. Mr. Speaker, I would like to congratulate and commend the distinguished gentleman from New York for bringing this subject before the House today, that is, this matter of imports. Also I would like to associate myself with the remarks that he has made in connection with this subject. While there are several products on the list which I understand the bill covers which the distinguished gentleman from New York introduced, I have also introduced a companion bill on this dealing with products that affect my State, such as beef, dairy products, plywood, and lumber products.

However, the principal industry in my district having a stake in this legislation is the textile industry. I do not have to emphasize my interest in tariff legislation, because the cotton textile industry has been deeply involved with such legislation in recent years. From the midfifties this industry began to experience a rise in import competition that in a few years' time catapulted it to the position of No. 1 problem facing the industry. The whole tide was set off by the tariff reduction of 1955.

Strenuous efforts were put forward by the industry and after an initial arrangement by which Japan agreed to limit her exports to this country, a temporary international agreement was achieved in 1961. This was followed by a 5-year agreement beginning with October 1962.

Meantime imports had reached a high level and in some items captured a heavy share of the domestic market. The foreign agreement now has less than 3½ years to run. No one knows what, if anything, will take its place. Some countries are unhappy with the agreement and may not wish to renew it.

Mr. Speaker, the level of imports reached before the international agreement went into effect clearly demonstrated that the existing level of duties did not act as a restriction. Had it been restrictive, imports could not have posed such a deadly threat to the domestic industry.

Now, of course, that imports are limited by category by country, the rate of duty is important only as a matter of pricing.

Under the Trade Expansion Act of 1962 cotton textiles are subject to another 50-percent tariff reduction; and the negotiators with GATT might feel justified in making such a reduction on the grounds that imports are now restricted in any case. This, Mr. Speaker, would be a most unfortunate course to take. Yet, the negotiators will proceed under the force of the agreement reached with GATT's ministers over a year ago. This agreement, as has been noted here this afternoon by other Members, limits our negotiators to a bare minimum of exceptions. At the meeting of GATT last month when the tariff conference was formally opened, it was agreed that the 50-percent reduction would form the basis of the actual tariff cutting operations when they begin. This beginning has now been delayed to November 16.

The upshot is that with minor exceptions all items will be subject to the 50-percent cut. Even such items as the President finally places on the exceptions list, which is to be kept to a bare minimum, other GATT members may review the list and object to the inclusion of particular items, and some of some of them may be removed.

The outlook therefore is that cotton textiles would be cut along with the broadest range of other items; and the target would be 50 percent.

In order to avoid this probability, I believe that we in Congress are justified in establishing reasonable but clear rules of reservations of items that meet certain criteria. This becomes all the more necessary because the agreement on GATT procedure that I have mentioned has shunted the hearings before the Tariff Commission to one side. Those hearings were called for by Congress in the Trade Act itself and were to furnish the President's agents with information on individual products as a guide to tariff reduction. Now that there is to be a bare minimum of exceptions and the 50-percent rule has been adopted, the hearings have lost all significance.

I therefore have introduced a bill which would remove cotton textiles and other products similarly situated with respect to import competition from the President's list. This is a reasonable amendment and would do no more than commonsense would recommend and what the hearings before the Tariff Commission might have sustained had they not been rendered useless.

While it is late in the session, I trust that the way will be paved for consideration of this important legislation at an early date.

Mr. PILLION. Mr. Speaker, I would like to thank the gentleman for his statement and to assure him of my desire to continue to cooperate and work with him in the protection of that great industry dealing with cotton textiles. I might add that under this bill the cotton textiles would come under the seventh criterion under which goods or cotton textiles that are under an international agreement by category would be placed automatically upon the excluded and reserved list. Therefore, it could not be subjected to the 50-percent tariff reduction negotiation. It would be protected under that criterion.

Mr. KORNEGAY. I would thank the gentleman very sincerely for that statement and for the fine leadership and effort he is making and has made for a long time in this area which is so vital to our domestic industry and the welfare of our people. I commend him deeply.

Mr. PILLION. I thank the gentleman for his kindness.

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

Mr. PILLION. I yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I want to join with those who have complimented the gentleman from New York on his perseverance in this matter. He has tenaciously dedicated himself to this subject for a long period of time and deserves every commendation on the part of the House of Representatives for this perseverance.

Mr. Speaker, I am becoming more convinced each day that there is a deliberate and diabolical effort to put this Nation on a world pricing level largely through this process. We have been paying the penalty in the State of Iowa—that is, the farmers and the producers of raw materials have—for a long time. I am more proud than ever and more pleased with my vote against the extension of the Trade Agreements Act in 1962.

Mr. PILLION. I think the gentleman showed foresight and great perception in having voted against that bill at that time.

Mr. GROSS. I thank the gentleman for that statement.

Mr. PILLION. I thank the gentleman for joining in this great and much needed effort to reexamine into this whole tariff-reduction problem that we are facing, because it can become very, very injurious to all of our industry.

Mr. GROSS. Mr. Speaker, I have listened today as I listened about 6 weeks ago when a long succession of speeches was made on this floor calling attention to the import problem confronting many industries. I am impressed with the seriousness of the problem facing not only these industries but the whole country in the matter of import competition. The colloquy of 6 weeks ago took place on 2 successive days. Some 80 Members from 38 States participated in one way or another. Sincere and deep concern was expressed by all who took part.

Mr. Speaker, the press of this country is so alert that it said nothing about this outpouring of sentiment from all parts of the country. This silence was in strange contrast to the leaping headlines and thousands of words daily spilled over subjects of much less importance.

What is wrong with our newspapers? Surely they cannot believe that silence of this kind is overlooked by everyone or that it represents good journalism.

It will be interesting to see what the newspapers make of the present attack on the adminstration of the Trade Expansion Act. If they run true to form they will elect to smother what is said here today in the deep void of nonmention or assure its presentation in some form of shrunken significance by various devices well known to journalism.

This would be a great pity, for there is at stake more than ordinary legislation. The bill that has been introduced and that I am also introducing represents the righting of a badly unbalanced legal and administrative development that, if left alone, would visit untold damage on many important American industries and agricultural activities. This could not be done without damage to the economy as a whole.

The failure of the newspapers properly to inform the public in this field has left wide gaps of ignorance in matters of vital importance. It has done more. By failing to give to the public rounded information a bad distortion has been created, permitting false judgments on matters that profoundly affect the public interest.

One of these omissions committed by the newspapers, through a fault of their own, lies in the failure to expose the unsoundness of our vaunted export surplus. This surplus has been running in the magnitude of $5 or $6 billion in recent years and will probably exceed that figure in 1964.

It is not that this surplus has been ignored by the newspapers. Its existence has not only been acknowledged repeatedly and pointed to more than once; it has, without any critical examination, often been used as evidence of the soundness of our international competitive position. As a result very important underlying developments in the international economic position of this country are being obscured if not concealed.

There is no disputing the surplus. We have been running a surplus of merchandise exports over imports for many years. Since 1960 this surplus has been above $5 billion each year.

The existence of the surplus has been misused on numerous occasions. It has been converted into an argument that our industries should have nothing to fear from imports. That being the case there should be no reasonable objection to the further reduction of our tariff. In view of this line of reasoning it becomes obvious immediately that far-reaching judgments ride on the supposed logic of the meaning of the surplus.

If the statistic of a $5 or $6 billion surplus is to be used as a basis of policy—and this is certainly justifiable—we should be careful to examine the credentials of the surplus. Is it all that it outwardly appears to be? Are we justified in drawing highly optimistic conclusions from its existence?

If there is something wrong with the surplus; if it is not really what it appears to be; if it is termite-infested or not really genuine and if it has been put together without accompanying notes of caution, we not only should be fully aware of these defects but we should make them known to the public. Certainly we should not use such an unsound base as the foundation for far-reaching policy decisions.

Mr. Speaker, if we examine this surplus we will find it melting rapidly away.

First and foremost, our exports of merchandise, on which the surplus is based, is permitted to include products that are not sold on their competitive merits in point of price and quality. It includes all the agricultural products that we ship abroad under Public Law 480 and similar subsidizing programs. In return we get mostly foreign currencies or very little or nothing. The transactions under which these goods are shipped have nothing at all to do with our ability to compete in foreign markets. In 1962 of our agricultural exports of $5.1 billion, $1,650 million or right at one-third, moved out under Government programs.

That left about $3½ billion of so-called commercial exports. Our total agricultural imports were $3.76 billion, or higher than our so-called commercial agricultural imports. In other words, here was really a deficit of over $100 million.

Yet that is not the whole of it. We have been selling wheat, wheat flour and raw cotton abroad at prices that are about a third below those prevailing in this country. Specifically, we have been subsidizing wheat exports at approximately 60 cents per bushel and cotton at 8½ cents per pound. In 1962 we exported a total of $1.947 billion in wheat, wheat flour and raw cotton. Of this, $1.070 billion was shipped on a so-called commercial basis and $876.8 million under Government programs. Therefore, of the $3.5 billion "commercial" exports, no less than $1.070 billion consisted of highly subsidized wheat, wheat flour and cotton exports.

Did this record demonstrate the competitiveness of our exports? If we had to sell these commodities at prices one-fourth to one-third below our home prices in order to move them abroad, what does this fact indicate with respect to our ability to penetrate foreign markets?

To show our agricultural exports in their proper light we should subtract the $1.070 billion in wheat and cotton exports—of the total $1.947 billion exports of these commodities—from the $3.5 billion of so-called commercial exports. This drops our exports of competitive farm products to $2.5 billion, or a third

less than our imports of $3.76 billion in 1962.

If we turn now to nonagricultural exports we find excessive claims in that sector, too. In 1962 these nonfarm exports amounted to $16.2 billion. It is estimated that of our foreign aid expenditures 80 percent finds its way back to this country in payment of our exports under the program.

The statistics are not very clear, but if 80 percent of the proceeds is spent in this country we may deduct about $1.5 billion from the nonagricultural exports. This would drop them to about $14.7 billion from $16.2 billion. Now add this $1.5 billion accounted for by the foreign aid shipments to the exports of farm products that owe their sale to Public Law 480 and the subsidies of wheat and cotton exports, in the amount of $2.720 billion—that is, $1.650 billion in Public Law 480 and similar programs and $1.070 billion in so-called commercial but subsidized exports of cotton and wheat—and we reach a total of a little over $4.2 billion.

Subtract this from the 1962 export "surplus" of $5.2 billion and we are left with an apparent surplus of $1 billion exports.

That is a far cry from a $5 billion surplus.

The cotton and wheat export subsidies between them cost the Treasury, that is, the taxpayer, an estimated $600 million a year. In other words, it costs quite a bit to achieve the appearance of being competitive.

The newspapers have shown no interest in these facts. Yet the $5 billion surplus was used very persuasively by the supporters of the trade expansion bill of 1962. Let no one say that what I have said here or something very nearly like it was not said in 1962. It was; but no one could prove it by reading the newspapers of those days. They were generally so solidly alined, particularly the big city press, behind the trade program that they simply could not bring themselves to fulfill their journalistic obligation to the public.

Equally ignored today is the discrepancy between the U.S. practice of levying our tariff on the foreign value of our imports while nearly all other countries levy their duty on a cost, insurance and freight basis, that is, including marine insurance and freight. In the case of the European countries which pay a considerable freight and insurance bill on their imports from us, the added costs on which they levy their duty, has been estimated to be in the neighborhood of 25 percent of the free-on-board value. Therefore the Europeans in comparing their tariff levels with ours should either add about 25 percent to their rates or subtract that much from our rates for a proper comparison. This has never been done. There is only now dawning a dim awareness of this difference, but you would not learn it from reading the newspapers.

In the millions of words that have been splashed on newsprint paper in recent years, especially about the Common Market, where are the news items or the penetrating columnar expositions based no doubt on profound researches. Mr. Speaker, where is to be found any reference to this 25-percent discrepancy? It is a factor in the Common Market "disparities" issue but it is played down. Rather, I should say, it is ignored or even concealed. It somehow cannot reach the light of day.

The newspapers are properly strong protagonists of the "right to know." Is this right to know confined to the access of newswriters to certain facts, or does it extend to the public? If it does not extend to the public, the right to know merely becomes an instrument of news management. In other words, the newspapers, themselves having access to news, can then determine what they will spoonfeed to the public.

One other aspect of the trade problem that has been neglected by the newspapers is the balance-of-payments question. Again, it is not that the newspapers do not carry long column inches on the subject, but that they allow the idea to gain currency that we are now so much better off in our trade balance than last year and the year before.

Two comments are in order. One is that our export balance which has become more favorable has been achieved almost altogether at Government expense, such as selling wheat to Russia or selling more subsidized farm products abroad in general. This "improvement" is therefore spurious.

The second is that we are still running a deficit in our foreign account and therefore are continuing to add to the foreign claims against us. We are still bleeding, and none of the blood that was previously drained from us has been restored to our veins. We are growing worse but merely not as rapidly as before.

Why have not the newspapers, the great beneficiaries of the first amendment which guarantees the freedom of the press, presented the facts instead of printing self-serving optimistic statements of politicians? Is there no way of "keeping the record straight?"

Mr. Speaker, I support the proposed legislation because it is sound and because it fits the facts of our international competitive position.

The bill would prevent further tariff reduction only in those instances in which commonsense would say that the tariff should be no further reduced. This is the case where imports already have achieved a liberal share of our market and have thus amply demonstrated that they already enjoy a competitive advantage here. They need no further advantages and if it is given to them our own industry will inevitably suffer as some of them are now suffering, to the detriment of the economy.

I have only to point to the great tide of beef imports of the past several years. In spite of this the tariff will be subject to another 50 percent cut under the so-called Kennedy round.

How could such a step be justified? Evidently only on the ground that we must sacrifice our econmoic well-being so that the State Department can do its job with a little less trouble. In other words, we are in the posture of sacrificing our industries so that the State Department will find it easier to keep other countries happy.

I am opposed to such a posture. We have already gone so far down that road that it has become a habit. Before we proceed we should reflect on some of the realities of competition that have so long been hidden from us.

I hope and urge that this legislation be given a green light and that the Ways and Means Committee will expedite it on its way.

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

Mr. PILLION. I yield to the gentleman.

Mr. GURNEY. Mr. Speaker, I, too, wish to commend the gentleman from New York on taking the initiative in introducing this bill to amend the trade expansion act of 1962 and I take pleasure too today in joining him in cosponsorship of this bill.

As a matter of fact, during this year I have been particularly interested in this matter insofar as it affects the beef and citrus industries which are vital to the economy of the State of Florida and to my district.

I have appeared before the Trade Information Committee on behalf of these products and also before the Tariff Commission.

I must say insofar as these two products are concerned, and I gather from the remarks of the gentleman from New York he feels that the same is true of other products, that I am not exactly sure that the administration has a sympathetic understanding of the problems of these industries. So far as citrus products are concerned, in Florida that industry amounts to a $2 billion industry. It is the second money crop in the State of Florida, after tourism. Without a healthy citrus industry, the entire State would be in dire economic straits. Now these tariff negotiations that are now going on over in Geneva, of course, have citrus as one of the products to negotiate. The point of the matter is that we have nothing to negotiate. We have virtually no foreign exports of citrus. Almost all of the citrus produced in this country, and not only in the State of Florida but also in the States of Texas, Arizona and California, are consumed in the United States. As a matter of fact, the market, and a very considerable one, that we had in Canada is now slowly dwindling and being taken up by other citrus-producing nations such as Mexico, Brazil, and even Israel.

As a matter of fact, there is even fresh fruit, under the present tariff schedule, imported into the State of Florida from Israel. So far as citrus is concerned, we have literally nothing to negotiate at Geneva. Any lowering of tariffs on citrus products will affect the economy of the citrus-producing States drastically and harmfully.

The same is true with respect to beef. Florida is a large beef-producing State and ranks No. 3 east of the Mississippi and No. 17 in the entire United States. This is a multimillion-dollar industry.

Here again we have nothing to negotiate. Our exports are negligible and our beef imports into this country from

other beef-producing nations, such as Australia and New Zealand and Argentina, have been increasing over the years.

I have been in touch, from time to time, very closely with the Department of Agriculture in connection with this situation. Here are figures which I believe are interesting and revealing. The imports in 1960 from Australia and New Zealand, of beef and veal, ran 180 million pounds. They are now in excess of 400 million pounds, which is a substantial increase in a short period of time. We seem to get very little cooperation from the Department of Agriculture.

Secretary Freeman stated only a short time ago that 1964 imports would be down 10 or 11 percent compared to previous year figures. Just today I received a telegram from the Florida Cattlemen's Association which says that according to U.S. Department of Agriculture meat inspection statistics for this year, from January through April 1964, the imports are up 25 percent over the previous year.

It occurs to me that in the Department of Agriculture the left hand does not know what the right hand is doing.

Certainly, so far as these two products are concerned, in my district and in the State of Florida, this is a serious situation. Others have been pointed out by the gentleman from New York and other speakers. We certainly need to examine this tariff situation thoroughly and to protect the interests of American businessmen from unfair and disastrous foreign competition.

I commend the gentleman from New York again. I hope the other Members of Congress will take a keen interest in this matter. Perhaps we can curb some of the administration tendencies to be more solicitious about the welfare of foreign businessmen than they are about our own American businessmen.

Mr. PILLION. I thank the gentleman from Florida for his most valuable contribution to this discussion. I might say that it is time we gave this import and tariff situation a second look and a good analysis to determine, in a selective way, the damages which are resulting from present imports, along with the prospective damage that will result if the 50 percent across-the-board reduction is arrived at in Geneva under the GATT negotiations.

I am fearful that an indiscriminate across-the-board wholesale cutting of tariffs will dislocate many industries and seriously damage industry and agriculture throughout the country. We cannot calculate the amount of damage that will result to labor and to industry if that type of agreement is reached in GATT.

This bill would set up the basis for excluding from tariff reduction negotiations these items as to which the greatest amount of damage is occurring in this country or is likely to occur.

Mr. GURNEY. I certainly agree wholeheartedly with the gentleman.

Mr. PILLION. I thank the gentleman.

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

Mr. PILLION. I yield to the gentleman from South Dakota.

Mr. BERRY. Mr. Speaker, first I ask unanimous consent that our colleague, the gentleman from New York, Mr. WALTER RIEHLMAN, have permission to extend his remarks following the remarks of the gentleman from New York [Mr. PILLION].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

IMPORTS HARMFUL TO AMERICAN INDUSTRY

Mr. RIEHLMAN. Mr. Speaker, I am introducing a bill today which is designed to protect American industry and American workmen from the excessive foreign imports which are flooding our country.

In my own congressional district, of which Syracuse, N.Y., is the hub, industry and labor feel the impact of imports with increasing severity.

Some of the items involved in my area are: steel, agricultural products, and machinery, shoes, pottery, automotive parts, chemicals, ceramics, and ball bearings.

There are many others.

In order to present a concise picture of the impact of excessive imports, I have chosen one industry to explain in detail.

It is the industry which manufactures ball and roller bearings.

My bill provides, with respect to that industry, an article reservation from the President's list of negotiable items if such article has registered a 100 percent increase in imports or more since 1958, and if total imports in any year since then had supplied at least 10 percent of domestic production of the article.

Imports of bearings from all countries increased from a value of $2,789,933 in 1958 to $19,268,752 in 1963 or an increase of 590 percent. The imports of Japanese bearings have increased from a mere $21,349 in 1958 to an estimated $9,872,254 in 1963.

It is estimated by the industry that the Japanese alone have captured approximately 20 percent of the domestic market. It should be noted that the Japanese import figures in this statement are based on the so-called home market values. Such figures are far below the price levels of the domestic industry.

Accordingly, the fact that 1963 Japanese imports were $9,872,254 necessarily means that domestic sales of a much greater value, probably in excess of $17 million, were replaced by Japanese imports.

Japanese bearing imports are most detrimental because of the resulting injury to the domestic industry with serious consequences for both employers and employees.

Analysis of the character of the Japanese imports clearly shows, that as a result of concentration upon a particular segment of the bearings market, the resulting damage is concentrated upon those domestic companies which are engaged in that segment of the business.

It is estimated in the bearing industry that sales value per man-hour of employment, was $8.98 in the American marketplace. This means that the imports at invoice value only, in 1963 replaced 2,158,670 man-hours of U.S. labor. If we calculate that the average man in the industry works 40 hours per week, 50 weeks in a year, or 2,000 hours a year, this is 1,079 man-years or full-time employment for 1,079 people for 1 year. And again, I emphasize this is only the so-called home market values of the bearings.

This type of information evidences why amendments to the Trade Expansion Act of 1962 are needed, and needed badly. Bearings are only one example, but a very dramatic example of what has been happening to domestic industry as a result of a trade policy which is punitive to American employers, American employees, and the general public.

The applicable tariff rates have been cut drastically since 1930. The rates on bearings have been cut from 45 percent ad valorem and 0.10 specific to 15 percent ad valorem and 0.034 specific. The rates on balls and rollers have been cut from 45 percent ad valorem and 0.10 specific to 12½ percent ad valorem and 0.04 specific.

To show even more dramatically what has been happening to imports of bearings from 1958 through 1963 I submit the following chart for the RECORD. It speaks for itself.

Schedule C.—Imports

	1958	1959	1960	1961	1962	1963 [1]	1963 [2]
Canada	$381,380	$1,426,623	$1,528,865	$1,644,439	$2,177,565	$2,006,577	$2,188,993
Sweden	373,043	910,174	783,129	540,948	486,098	284,930	310,832
United Kingdom	442,634	2,002,573	1,234,982	801,091	1,409,510	1,527,247	1,666,087
West Germany	1,033,008	3,126,847	2,395,346	2,177,372	3,680,328	3,140,634	3,426,146
Switzerland	236,160	337,813	543,965	514,543	662,247	470,211	512,957
Spain				14,003	41,860	62,130	67,778
Italy	73,499	59,372	173,480	130,094	246,822	369,999	403,634
Japan	21,349	1,988,585	2,813,431	3,738,071	6,711,235	9,049,567	9,872,254
France	125,565	355,405	345,597	287,322	387,131	478,892	522,427
Norway		150	3,086	366	2,179	873	952
Denmark		333		1,012	2,280	7,446	8,122
Netherlands		1,544	7,250	1,269	34,912	4,906	5,352
Belgium	361	2,342	4,692	2,574	3,575	3,193	3,483
Austria	102,934	184,936	366,375	269,475	387,985	254,789	277,951
Republic of South Africa				104	38,283		
Czechoslovakia			771	704			
India			1,017			1,135	1,238
Mexico			2,372			500	545
Country of origin unknown			448				
Ireland		968	625				
Australia			118				
Total	2,789,933	10,397,665	10,205,549	10,123,387	16,272,010	17,663,029	19,268,752

[1] 11 months.
[2] Estimated by adding 1/11 of 1963 11 months' figures.

Recently I received a letter from Mr. H. F. Hodgkins, Jr., of the Rollway Bearing Co., Inc., of Syracuse, N.Y., who comments on the impact of imports on our local economy. He writes:

The Rollway Bearing Co. of Syracuse has 570 full-time employees, so roughly 2,400 family members in Onondaga County are dependent upon the success of the Rollway Bearing Co. We have an annual payroll of approximately $4 million, and the largest part of this is undoubtedly spent with retailers, service and professional people in the Syracuse area. You can see that the loss of this payroll would have a detrimental effect on the economy of the entire area. In addition, this company pays about $40,000 in local taxes alone, which, although it is not a huge sum, does contribute substantially to the local government operations.

The total imports of ball bearings, roller bearings, steel balls and rollers in the year 1963 were up 19 percent from 1962 for a total of $19,384,853. This is strictly the import price, or invoice price paid by the importer, and does not include duty, ocean transportation, insurance, customs, brokerage fees or any other additives. Imports for the first quarter of 1964, in total, are $5,372,072 versus $4,313,124 for the same period in 1963, or an increase of approximately 20 percent.

Mr. BERRY. Mr. Speaker, I want to congratulate the gentleman from New York [Mr. PILLION], on the statement he has made and the work that he has done in this, field. I want to join with him in everything he has said.

Mr. Speaker, I am greatly interested in the bill that has been introduced by the gentleman from New York [Mr. PILLION] and others, and join them in its introduction and support.

It is a well-known fact, Mr. Speaker, that the State Department has long been overreaching itself in its ambition to regulate the foreign commerce of this country. It is true that the negotiations authorized by the Trade Expansion Act of 1962 were placed in the hands of the President's special representative, but no one should be so naive as to think that the State Department does not dominate the scene.

That Department has exerted itself over a period of years toward gaining final control over our tariffs and trade, and has succeeded to a degree that brings no comfort to the many industries, farm, and labor groups that bear and have borne the brunt of rising imports. They feel that they have lost all influence over a field that is reserved by the Constitution to the elected representatives of the people, which is to say, those who are responsive directly to the voters; namely, the Congress of the United States.

What has happened under the Trade Expansion Act of 1962, in that part of its administration that relates to the tariff negotiations, marks a further extension of the usurption of power in this field by the Executive, as has already been related here this afternoon. The Congress has been cut off from any influence over this administration far beyond the control relinquished under the provisions of the legislation itself. The meaning of the long hearings before the Tariff Commission has been nullified by the terms of the negotiation agreed to by our negotiators. The hearings were reduced ahead of time to the status of pure window dressing. Many Members of this and the other body appeared in person before the Commission and made statements. They might as well have saved their breath.

The outcome of the negotiations in Geneva was precooked by the terms of the agreement reached over a year ago in Geneva, that is, the agreement that there is to be a bare minimum of exceptions to the 50-percent tariff cut.

Mr. Speaker, the Congress has therefore been placed in the position of a helpless bystander and made to look foolish. Since the actual tariff-cutting session is still some months away, it is incumbent on us to assert our own responsibility by laying down more specific guidelines. That is the purpose of the amendment to the act offered in the present bill.

My district is deeply concerned about the inclusion of beef, lamb, mutton, and wool in the President's list of items that are to be subject to a further 50-percent tariff cut. The record level established in recent years in the imports of beef and lamb has been told many times on this floor and a few feeble efforts to improve the situation have been made by the Department of Agriculture, including persuasion of Australia and New Zealand to exercise self-restraint in their exports. A true remedy has, however, not yet materialized, and the Secretary of Agriculture is strongly opposed to legislative action. We witness here an executive department telling Congress that it should not exercise its constitutional responsibility.

With the inclusion of the products that I have mentioned on the President's list, the outlook would be good for another deep slash of the tariff. Such action seems unthinkable under the circumstances because it would greatly aggravate the present difficulty. Since the prenegotiation agreement provides for only a bare minimum of exceptions, however, we must be prepared to witness another tariff cut unless the present legislation is adopted.

This legislation would, of course, not be limited to beef, lamb and wool, but would also apply to all other products that have experienced a rapid rise in imports and the capture of a substantial part of the domestic market by them. Without the passage of the bill, the prospect would be that imports would be waved forward and given a virtual right of way in this conutry without a substantial domestic defense.

It is easy to understand what the effect on industry and farming would be under these circumstances. The forces that have already led to a high volume of dollar investment in foreign countries and increasing unemployment in this country would be given a green light. A slowdown in domestic expansion to a point that would fall short of employing the already unemployed and those who are added to the work force each year, could be expected.

We may discount the recent improvement in our balance-of-payments position as well as the recent expansion in plant and equipment in this country as a new development since these welcome trends would be undercut by the drastic tariff reductions that will be in the offing if this legislation is not passed. The improvement in our balance-of-payments position is more apparent than real in any case. In good part it is a result of our increased exports, and this increase reflects our sale of subsidized wheat to Russia, sales of farm products under Public Law 480 and sales under foreign aid. Our purely private competitive exports have not shown such an improvement.

We still have short-term foreign claims of some $25 billion against us and this figure has not been reduced. Its rate of increase—I repeat, its rate of increase—has merely been slowed down. Therefore there is no occasion for congratulating ourselves over a great advancement in our international competitive position.

Recent years should have opened the eyes of those who cling so fondly to the free trade doctrine. The competitive situation in world trade has changed profoundly, and the reasons are obvious. The great technological revolution that has come to the other industrial countries has given them a distinct competitive advantage. It should not be necessary to say it again, but seemingly there is yet no full recognition of the lower costs enjoyed by those countries because of their lower wages hand in hand with fast rising productivity. Their wages are still far below ours and will no doubt remain well behind for a number of years. We should be reconciled to this fact and recognize it and act accordingly. Numerous American industries cannot be expected to be competitive with imports under the circumstances. To expect this is to fly in the face of the clear facts of universal experience.

There are exceptions; but even these exceptions are falling away one by one. Six weeks ago on this floor numerous speeches were made citing industry after industry that face hardships from the impact of imports. I was struck by the number of very substantial and even leading industries that have lost their export position in recent years.

The steel industry is one of these. It can hardly be described as an inefficient industry when one of its troubles already lies in producing a substantially high tonnage of steel with 20 percent fewer workers than only a few years ago. Yet this industry has swung in recent years away from a favorable export position. Imports in tons in 1963 were double the exports.

Also cited was the automobile industry. Historically this was a great exporting industry. Now we import several times as many automobiles as we export. The textile industry is another large industry that has suffered the same fate. Add petroleum, sewing machines, typewriters, shoes and consumer electronic goods and we get some glimmer of what has been happening. In all these cases we have been driven from a net export to a net import position.

The vast upshoot in beef imports was obviously not an isolated phenomenon. The same thing can hit any of a number of other industries that now appear to be immune to import competition.

Mr. Speaker, this sort of thing could be expected even without further tariff reductions. If we reduce our remaining tariffs sharply, we will invite a great increase in the industries that may be expected to come under the hammer. We should keep in mind that the other industrial countries are branching out and entering new fields of manufacturing, launching new products, and putting them on the world market.

The great temptation is to cry out immediately that our industries must become more efficient. The cry has been heard numerous times and we still hear it. This is a natural reaction; but it is the same as saying to these industries that they should speed up their mechanization and automation and throw people out of work even faster than they are doing now. The trouble is that such an increase in displacement of workers would not solve the problem. It would merely enable us to stay in business but not to expand our market sufficiently to put more people to work. Rising imports would stand in the way.

This is an unwelcome fact that the free trade element simply will not entertain. It would upset their shining applecart. Therefore they will steadfastly refuse to see the obvious and will visit the stubbornness of their blindness upon our industries and farmers and workers until we in Congress call a halt.

Mr. Speaker, I am for this legislation. I say it is needed and in fact indispensable if we are to stand by our industries and providers of employment.

It is a little late in the day and time for action is short. I urge the Ways and Means Committee to give immediate attention to the legislation so that it can get underway.

Mr. PILLION. Mr. Speaker, I thank the gentleman for his contribution and I want to assure him that I am looking forward to continued cooperation with him in this program of protection for American agriculture and industry.

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WHALLEY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WHALLEY. Mr. Speaker, I join in support of this legislation because it is reasonable and because it would prevent unnecessary additional injury to many of our industries that are already troubled by imports.

The bill would not increase a single tariff rate but it would in effect say to the President's special representative for trade: "Do not touch any items of which imports are already selling in large volume in this country. Do not cut the tariff any deeper when the present import levels clearly show that the rate of duty is already low enough."

To insist on reducing our duties on articles answering this description below existing levels could not be justified without, in effect, saying that injury to domestic industry is a matter of indifference. I do not believe that we who are Members of Congress can subscribe to such a philosophy. I am concerned about several products that are very important to the employment of workers in my district. I refer to coal, steel, man-made textile fibers, electronic tubes, refractories, candy manufacturers, and shoes.

Oh, it will be said, if a domestic industry or its labor is injured, the Trade Expansion Act of 1962 provides for what is called "adjustment assistance." The industry will be helped and its workers will be retrained and, if necessary, shifted.

Mr. Speaker, that sounds good, although I do not agree that we should as a matter of policy deliberately injure an industry or cause distress to its workers even if we agree to come to their rescue. Nevertheless, it sounds responsible. If someone gets injured because we carry out a policy that is for the good of the country as a whole we will make good the injury. Yes, that has the sound of responsibility so far as compensation goes.

Mr. Speaker, unfortunately the record of the past 20 months since the Trade Act was passed bears out no such responsibility. Eleven cases have gone through the Tariff Commission and not one has survived. The Commission unanimously found in the negative in all 11 cases. As a result not 1 cent has been paid out by way of compensation to the industries and the worker groups that applied to the Commission.

Evidently there is something wrong with a law that produces that kind of a record. The Tariff Commission is a bipartisan body and when it votes as a unit against relief the criteria laid down in the law for proving injury must be excessively exacting. Otherwise at least some of the members of the Commission would come up with a positive finding. When not one can make a finding of injury in any 1 of 11 cases, the obvious conclusion must be that the law was too stringently drawn.

The present bill would not touch this part of the act, much as it needs attention. The present legislation would do no more than remove items that meet certain criteria with respect to imports from a further exposure to tariff cuts. We would in effect refuse to cut the tariff again when it is obviously already low enough. It was cut deeply enough in the past. Why invite trouble; why visit more distress on our industries and throw workers out of jobs when they are either already in distress from imports or teeter on the borderline?

Mr. Speaker, if the President's special representative had taken a more moderate approach than he did in fact take, the need for this legislation would not be so acute. Unfortunately he agreed ahead of time, that is, even before hearings started, that there would be only the barest handful of exceptions. This simply means that all items will be subjected to a deep cut, with barely an exemption.

In none of the tariff reduction conferences of the past, and there have been five of them under GATT, did our negotiators take such a stiff and relentless position. Many items were not even placed on the President's list on those occasions, but even if they were, many exceptions were made. Now they are all on the list with the exception of a few items exempted by the law itself; and the outlook is that very few will be spared.

We in the Congress had a right to expect more respect for the hearings that were held before the Tariff Commission. These hearings lasted 4 months and called for detailed information on all aspects of production, imports, wages, prices, productivity, profit, and so forth. A vast amount of information was supplied. Yet of what use were these hearings if all items are to be cut, and most of them 50 percent, anyway? I fail to see either the logic or the good sense of such a state of affairs. I think it reflects disrespect or at least a lack of regard for the Tariff Commission and the numerous witnesses who appeared before it.

I agree that the law should be amended and hope that the legislation that I have introduced will gain the support to which it is entitled. I urge the earliest action on the bill since time is somewhat short. The Ways and Means Committee should treat the bill with special consideration because of its importance and the great need it would fill.

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from Wyoming [Mr. HARRISON] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HARRISON. Mr. Speaker, I think there can be little question that the Trade Expansion Act of 1962 needs amending in several respects, I voted against it at the time it was passed. The proposed amendment of section 225 by adding new categories to the existing list of reservations is not only justified; it is imperative if we are not to bring ruin to many industries that are even now struggling against heavy imports.

In my State we are concerned with imports of beef, mutton, lamb, wool and woolens, and oil. The imports of these products need no further encouragement than they now enjoy. The imports are doing more damage now than our industries should be asked to shoulder. No further tariff reductions are necessary. In some instances greater restrictions are clearly called for.

These industries cannot hope to prosper and to contribute their share to employment and expansion if they are to be faced with prospects of further tariff cuts. It seems insane to expect to put people back to work and to open up new jobs if we insist on following a policy that will discourage rather than stimulate industry, worry them rather than bringing them confidence.

Mr. Speaker, I have spoken many times on the import problem. I have taken part in many conferences that looked toward solutions or improvements of the situation. Many of them gave evidence of complete sincerity; but, Mr. Speaker, I also went before the Tariff Commis-

sion during the hearings on the President's list of items to be considered for tariff reductions under GATT.

These hearings were required by the Trade Expansion Act and they consumed a great deal of time. Their purpose was to gather information with respect to the thousands of items on the list, information pertinent for a determination of what the probable effects of further tariff reductions would be. These hearings, too, gave every evidence of sincerity; and I do not question the sincerity and integrity of the members of the Commission. I am sure that they performed conscientiously.

It is very alarming to learn that these hearings have been converted into a dead letter by the unbelievable agreement of the President's negotiators to proceed under ground rules in the GATT negotiations that will permit of only a bare minimum of exceptions from the 50-percent reduction. Such an agreement makes a complete nullity of the Tariff Commission hearings.

This action of the negotiators comes as an affront to all who participated in the hearings and it places the Tariff Commission itself in a peculiar and discomfiting light.

I think a correction is indeed in order, and the present bill will go far in that direction. It is incumbent on us to provide guidelines distinct enough to make our meaning clear and to avoid the style of freewheeling that was engaged in by our GATT negotiators.

For this reason I gladly join in introducing this legislation even though it is only preventive in character. I think it should be given a right-of-way and passed during this session, and I hope that the Ways and Means Committee will make it possible by early action on the bill.

Mr. DENT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, in support of the proposed trade legislation instructing the GATT Conference in the matter of further tariff cuts in U.S. customs on specific items I want to present the case of handmade glassware.

Time is too short to give a full-scale report. Sufficient to say that the story of glass is not much different than that of many other U.S. products.

It has long been my belief that U.S. prosperity cannot be built upon the elusive sands of foreign trade.

This legislation may help some but to save our U.S. industrial complex in competitive products we must have a complete reevaluation of our trade policies.

Trade is a commercial venture and any claims to the contrary are deliberate attempts to exploit the people.

REPORT ON THE IMPACT OF IMPORTS ON THE AMERICAN HANDMADE GLASSWARE INDUSTRY

Within the past 15 years, 21 handmade glassware plants have gone out of business in the United States and approximately 50 percent of the men and women employed in the industry have been deprived of this means of livelihood. This represents a loss of approximately 2 millions of man-hours of work per year and a loss of almost $5 million payroll per year.

These losses are attributable, in large measure, to competitive foreign imports produced at wages far below those paid to American glassworkers. A comparison of foreign versus domestic rates, as accurate and as up to date as we could compile them from U.S. Department of Commerce reports, is attached to the copy of my presentation which has been furnished Commission members. I will not review them all, but a prime example would be those hourly rates paid in 1963 by U.S. manufacturers as compared to those paid in Italy which was the principal supplier from abroad. In the domestic plants, as of June 30, 1963, the average hourly rate paid to skilled glassworkers was $3.28 per hour; to the unskilled it was $2.21 per hour; and the combined average was $2.44 per hour.

In Italy, while glass was not specifically separated in the Department of Commerce report, the average take-home pay for "all industries" was $0.5264 per hour. This was based on a 1962 survey by the Italian Ministry of Labor covering approximately 2 million workers in 1,800 industrial enterprises. Please note that this figure of $0.5264 per hour is take-home pay and includes overtime, premiums, bonuses, paid vacations, holidays, and family allowances.

Incidentally, in the first 8 months of 1963 imports of handmade glassware from Italy increased by 25.6 percent over the same period in 1962. They reached $2.8 million based upon foreign valuation and this means that converted to the U.S. wholesale value, according to the U.S. Department of Commerce formula, Italy alone, in the first 8 months of 1963, shipped into this country $7 million worth of their product.

This equals 21 percent of the total shipments of U.S. handmade glassware in 1963—$32,500,000. Exports of American handmade glassware totaled only $450,000 in 1963, and most of this amount went to Canada.

Total imports of handmade glassware in 1963 amounted to $13,350,000, and according to a U.S. Department of Commerce bulletin released January 13, 1964:

> The handmade category accounted for practically all imports of household glassware in 1963. (FOX WO7-4604 ER-63-31.)

Imports of competing glassware products increased from $5½ million in 1946 to $34,869,346—U.S. wholesale value—in 1962—see table below—an overall increase of 527 percent.

In other words, since the first GATT concessions were made in Geneva in 1947 the imports of handmade glassware have increased by 527 percent while over 50 percent of our industry has gone down the drain.

Thus it becomes obvious that even at present rates U.S. tariff duties are no obstacle to the foreign manufacturer.

The handmade glassware industry is one of those with a very high labor cost—approximately 65 to 70 percent of the total manufacturing cost—and it is, therefore, extremely sensitive to imports of comparable items made at very low foreign wages. It is the wide disparity in wages that gives the foreign manufacturer the overwhelming advantage that he now enjoys.

To lower or eliminate the already inadequate tariffs remaining, simply means that more job opportunities of good American citizens are callously being tossed into the discard.

IMPORTS OF HANDMADE BLOWN GLASSWARE AS ESTIMATED BY THE DEPARTMENT OF COMMERCE AND THE TARIFF COMMISSION

These imports are based upon their foreign valuation. The foreign value may be converted to U.S. wholesale value by multiplying by 250 percent—footnote 1, table 13, 1953 report. Accordingly, the increase in the imports of handblown glassware, measured in terms of its U.S. wholesale price is shown by the following table:

	Imports	
	Foreign value	U.S. wholesale value
1946	$2,212,742	$5,531,855
1947	2,977,348	7,443,370
1948	2,094,000	5,235,000
1949	2,294,000	5,735,000
1950	2,779,399	6,948,498
1951	4,169,592	10,423,980
1952	4,221,658	10,554,145
1953	4,627,084	11,567,710
1954	4,934,142	12,335,355
1955	5,843,995	14,609,988
1956	7,125,807	17,814,518
1957	7,502,109	18,755,273
1958	7,376,839	18,442,098
1959	9,273,885	23,184,713
1960		
1961		
1962	13,869,346	34,673,365

Accordingly, it will be seen that since the first GATT concessions were made in Geneva in 1947, the imports of handmade blown glassware have increased from a foreign value of $2,212,742 in 1946 to a value of $13,869,346 in 1962, an increase of 527 percent.

Following is an explanation of the bill to amend the Trade Expansion Act of 1962:

A new category would be added to the articles that are reserved under section 225 of the act against further tariff reduction. The proposed new category consists of eight classes of articles. All articles or groups of articles that would meet one or more of the eight criteria of the bill would be removed from the President's list of items offered for tariff reduction. The eight criteria or classes of articles follow:

First. The first subsection would consist of articles that had registered 100-percent increase in imports or more since 1958 if total imports in any year since then had supplied at least 10 percent of domestic production of the article.

To understand what this means it is necessary to have in mind the term "article" rather than some broad category such as steel or textiles or chemicals. The term "article" in the case of steel, for example, might mean reinforcement bars, nails, or other easily identifiable steel product. However, a group of

closely related articles that jointly produce a competitive impact could also be considered as a unit for reservation.

If articles that meet the specifications under this paragraph were reserved, the so-called linear or broad category approach to tariff reduction, for which there is no proper justification, would have some of its sting drawn.

COMMENT

A number of articles or closely related groups of articles would meet this criterion. While no exact listing can be made, it seems safe to say that the following items would be included:

Steel—wire nails and staples, barbed wire, woven wire fence, wire rods, reinforcing bars, ingots, blooms, billets, slabs, and so forth, pipe and tubing; beef, lamb, wool; dairy products; citrus products, dried fruits and nuts; cotton textiles, shoes, hats and millinery, gloves, men's haberdashery; copper and brass mill products; glassware, pottery, ceramics, certain tiles; bicycles, guns, pins, wood screws, needles, watches; electronic products and office equipment; plywoods and lumber products; cement, concrete products; synthetic organic chemicals, dyestuffs; automotive parts; rubber products; fishery products.

Second. The second class of articles would consist of those of which imports had for some years captured a large share of the market, that is, at least 20 percent. In recent years, the imports might have been more or less static. However, they might have the effect of holding down the expansion of the domestic industry. Therefore, if imports since 1958 had increased more than domestic production, the article would also be removed from the President's negotiation list. Some of the articles of the preceding paragraph would also fall into this category. It is added to meet situations where imports need not have doubled in order to make the article eligible. If imports were already at the 20-percent level a doubling of imports would not be necessary to justify removal from the President's list.

Again, it would be the imports of the "article" or group of closely related articles and not necessarily the whole spectrum of products made by an industry that would be examined to determine whether it would qualify for reservation.

Third. The third group would withhold items that are under an import quota limitation or had been accorded a tariff increase under the escape clause. Lead and zinc and bicycles would be included in this category; also women's hats of certain value brackets; and possibly several other items of modest output.

Fourth. There is another situation that would make further tariff reduction unjustified. If since 1958 employment of production workers in the domestic industry has declined by as much as 10 percent, cumulatively or in any 1 year while imports have increased compared with domestic production, the evidence, again, is overwhelming that imports have an advantage even at the present duty level. A further tariff reduction therefore could not be justified. If a reduction were nevertheless made it could be done only with the deliberate intent of inviting imports to create yet greater havoc. Employment is a very important consideration in assessing the effect of imports, and this subsection is designed for this purpose.

Fifth. The fifth group of the amendment would consist of farm products that are under price support or under a price stabilization program, or under soil conservation programs. Further tariff reductions would simply aggravate the surplus situation and increase the cost of the agricultural program. Dairy products, wheat and wheat flour, and other farm products that are under price support or marketing agreements, would be included.

Sixth. The sixth group would consist of imports of fishery products in those cases in which the Department of the Interior has in effect research or conservation programs for the preservation of a commercial fishery. The success of such programs would be materially retarded or doomed if imports were encouraged by further tariff reductions. Already imports have come to exceed domestic production of fishery products.

Seventh. The seventh subsection would eliminate cotton textiles, which are the subject of an international agreement that limits exports of cotton textiles to this country by category. It was negotiated because cotton textile imports had made deep inroads into the domestic market under the existing duty rates.

To cut these rates now would place cotton textiles into a weaker position than before the international agreement was made. The agreement has not much over 3 years to run and it could then be terminated. If, meantime, the existing duty were cut, ruination would face the industry.

Eighth. The eighth subsection is aimed at the practice of European countries to restrict imports from Japan and thus creating greater pressure for Japanese exports to the United States. If we reduce our tariffs further while European countries maintain their restrictions, this country will become the dumping ground for Japanese goods that Europe will accept only in small quantities. The whole purpose of the amendment would be to lift from industry, agriculture, and labor the depressing prospect of yet sharper import competition in those instances in which the present tariff itself is not high enough to keep imports from damaging domestic production and discouraging domestic expansion.

Finally, subsection (f) provides that no statutory nontariff trade restrictions may be eliminated, or changes in the bases of customs valuation negotiated.

This provision would prevent elimination of the American selling price as a basis of customs valuation. The chemical industry, rubber-soled footwear and one or two other items would be safeguarded in their possession of the American selling price as the basis of duty assessment.

The Buy American Act, the Antidumping Act, the manufacturing clause of our copyright law and the countervailing duty provision of the Tariff Act of 1930 would be removed from the powers of our negotiators to modify these laws in their bargaining with GATT.

Mr. DENT. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. SLACK] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SLACK. Mr. Speaker, I am happy to associate myself with the legislation that has been launched here this afternoon to remove certain products from the President's list marked for 50-percent tariff cuts under GATT. I am deeply concerned about the effect that such a reduction would produce on the glass industry. Imports in recent years have increased to levels that the domestic industry cannot withstand without serious losses in production and employment.

It is unfortunate that the special representative for trade negotiations should have taken the bit into his teeth, so to speak, and assumed the extreme position of allowing almost no exceptions to the 50-percent cut. The Trade Expansion Act, while authorizing cuts of 50 percent, was permissive, not mandatory. The authority to reduce the tariff by 50 percent across the board, with minor statutory exceptions, was to be tempered by the facts produced in hearings before the Tariff Commission. The law spelled out the many aspects of information that were to be examined by the Commission, all of which would throw light on the competitive position of each industry. The law thus at least implied that the facts thus uncovered would be taken into account by the executive branch when it entered into negotiations.

The hearings were long drawn out and nearly a thousand witnesses appeared and gave testimony. This was in the great American tradition. No arbitrary action would be expected under such circumstances.

Yet unfortunately, as matters now stand, under the rules that are to guide our negotiators in Geneva, these hearings might as well not have been held. This is the inevitable conclusion to be reached from the nature of the rules of negotiation that were agreed to; namely, that all items, with a bare minimum of exceptions, would be thrown into the hopper, and these would be subject to the 50-percent cut except as they might be treated more gently under a particular circumstance that has nothing to do with the Tariff Commission hearings; namely, the disparity question raised by Common Market countries. This was designed to allow other countries to trade smaller duty cuts for our 50-percent cuts. In a few instances we might get the benefit, but only if other countries had much higher rates than we on particular items.

In other words, so far as any effects produced by these hearings are concerned, they were useless. Even if we should put some items on the reserve list to be withheld from negotiation, this list would be subject to approval by the other members of GATT—the General Agreement on Tariffs and Trade. This

right of review was also accepted by our negotiators as a precondition to negotiation.

Mr. Speaker, I agree that the authority of Congress as contained in the requirement for hearings before the Tariff Commission has been circumvented by the end run executed by the President's special representative. This makes it all the more desirable for Congress to reinstruct our negotiators, so to speak.

It is not too late. As matters stand we have until November 16. Most of the delay so far by GATT in getting underway has been caused by the Common Market countries' delay in agreeing on their common agricultural policy. Therefore we have no grounds for embarrassment in proposing this legislation. Congress is merely making a correction of what may have been but should not have been a failure of understanding; for when we provide for hearings before an agency that is itself an arm of the Congress, such as the Tariff Commission, we have every right to assume that the integrity of these hearings will not be upset by another branch of the Government.

I am therefore happy to join in introduction of the bill, and with others, I urge the earliest committee action on it.

HORTON BILL FOR SELECTIVE RESTRICTIONS AGAINST FURTHER TARIFF CUTS

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HORTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HORTON. Mr. Speaker, I have introduced, today, H.R. 11784 to amend the Trade Expansion Act of 1962. This is a comprehensive trade measure that will provide effective protection for American industry, labor, and agriculture.

In sponsoring this much-needed measure, I am joining with a number of my colleagues who are offering like proposals. All of us who are participating in this effort to restore a sense of equity to the current round of tariff-cutting talks that are taking place at Geneva are greatly indebted to the long hours of preparation spent on this legislation by the distinguished gentlemen from New York [Mr. PILLION] and North Carolina [Mr. WHITENER].

The principal provision of this bill is the exclusion of certain items and industries from consideration in these international trade negotiations. My proposal seeks to add to the Trade Expansion Act a new category of articles that would be protected against further tariff reduction.

H.R. 11784 would establish eight conditions relating to the damage which foreign imports have done to domestic production in recent years. Where any one of these conditions exists, duty lowering on foreign production of these articles would be prohibited.

I think it is very necessary and desirable that this amendment be made to the present tariff laws. And, in that regard, I am confident that I express the view of many of the people I am privileged to represent.

In increasing numbers, my constituents are registering with me their objections to the free hand being allowed our negotiators at Geneva. Many of them have told me that a 50-percent cut in tariffs would spell doom to their businesses. This just must not happen.

I believe my public statements prove my desire to encourage international commerce by every available means, but I do draw the line when the obvious consequence of our generosity is widespread economic havoc for American industry, labor, and agriculture. We would be closing our eyes to reality if we jeopardized the position of those elements in our economy whose health has made it possible for the United States to trade in world markets in the first place.

There are many businesses in my 36th District whose spokesmen have expressed concern over a further decrease in tariffs. Some of the articles of special interest to the economy of the area I represent which would be covered by the terms of this bill are dairy products, cotton textiles, men's haberdashery, cement, electronic products, and synthetic chemicals.

Mr. Speaker, those of us proposing this legislation have worked from a very complete document that details the eight classes of articles which we feel should be included in the new category of items not subject to tariff reduction. I am including the text of this material with my remarks for the point-by-point clarification it provides with respect to my bill:

EXPLANATION OF H.R. 11784, A BILL TO AMEND THE TRADE EXPANSION ACT OF 1962

A new category would be added to the articles that are reserved under section 225 of the act against further tariff reduction. The proposed new category consists of eight classes of articles. All articles or groups of articles that would meet one or more of the eight criteria of the bill would be removed from the President's list of items offered for tariff reduction. The eight criteria or classes of articles follow:

1. The first subsection would consist of articles that had registered a 100-percent increase in imports or more since 1958 if total imports in any year since then had supplied at least 10 percent of domestic production of the article.

To understand what this means it is necessary to have in mind the term "article" rather than some broad category such as steel or textiles or chemicals. The term "article" in the case of steel, for example, might mean reinforcement bars, nails, or other easily identifiable steel product. However, a group of closely related articles that jointly produce a competitive impact could also be considered as a unit for reservation.

If articles that meet the specifications under this paragraph were reserved, the so-called linear or broad category approach to tariff reduction, for which there is no proper justification, would have some of its sting drawn.

A number of articles or closely related groups of articles would meet this criterion. While no exact listing can be made, it seems safe to say that the following items would be included: Steel (wire nails and staples, barbed wire, woven wire fence, wire rods, reinforcing bars, ingots, blooms, billets, slabs, etc., pipe and tubing); beef, lamb, wool; dairy products; citrus products, dried fruits and nuts; cotton textiles, shoes, hats and millinery, gloves, men's haberdashery; copper and brass mill products; glassware, pottery, ceramics, certain tiles; bicycles, guns, pins, wood screws, needles, watches; electronic products and office equipment; plywoods and lumber products; cement, concrete products; synthetic organic chemicals, dyestuffs; automotive parts; rubber products; fishery products.

2. The second class of articles would consist of those of which imports had for some years captured a large share of the market, i.e., at least 20 percent. In recent years, the imports might have been more or less static. However, they might have the effect of holding down the expansion of the domestic industry. Therefore, if imports since 1958 had increased more than domestic production, the article would also be removed from the President's negotiation list. Some of the articles of the preceding paragraph would also fall into this category. It is added to meet situations where imports need not have doubled in order to make the article eligible. If imports were already at the 20 percent level a doubling of imports would not be necessary to justify removal from the President's list.

Again, it would be the imports of the article or group of closely related articles and not necessarily the whole spectrum of products made by an industry that would be examined to determine whether it would qualify for reservation.

3. The third group would withhold items that are under an import quota limitation or had been accorded a tariff increase under the escape clause. Lead and zinc and bicycles would be included in this category; also women's hats of certain value brackets; and possibly several other items of modest output.

4. There is another situation that would make further tariff reduction unjustified. If since 1958 employment of production workers in the domestic industry has declined by as much as 10 percent, cumulatively or in any one year while imports have increased compared with domestic production, the evidence, again, is overwhelming that imports have an advantage even at the present duty level. A further tariff reduction therefore could not be justified. If a reduction were nevertheless made it could be done only with the deliberate intent of inviting imports to create yet greater havoc. Employment is a very important consideration in assessing the effect of imports, and this subsection is designed for this purpose.

5. The fifth group of the amendment would consist of farm products that are under price support or under a price stabilization program, or under soil conservation programs. Further tariff reductions would simply aggravate the surplus situation and increase the cost of the agricultural program. Dairy products, wheat and wheat flour and other farm products that are under price support or marketing agreements would be included.

6. The sixth group would consist of imports of fishery products in those cases in which the Department of the Interior has in effect research or conservation programs for the preservation of a commercial fishery. The success of such programs would be materially retarded or doomed if imports were encouraged by further tariff reductions. Already imports have come to exceed domestic production of fishery products.

7. The seventh subsection would eliminate cotton textiles, which are the subject of an international agreement that limits exports

of cotton textiles to this country by category. It was negotiated because cotton textile imports had made deep inroads into the domestic market under the existing duty rates.

To cut these rates now would place cotton textiles into a weaker position than before the international agreement was made. The agreement has not much over 3 years to run and it could then be terminated. If meantime the existing duty were cut, ruination would face the industry.

8. The eighth subsection is aimed at the practice of European countries to restrict imports from Japan and thus creating greater pressure for Japanese exports to the United States. If we reduce our tariffs further while European countries maintain their restrictions, this country will become the dumping ground for Japanese goods that Europe will accept only in small quantities. The whole purpose of the amendment would be to lift from industry, agriculture, and labor the depressing prospect of yet sharper import competition in those instances in which the present tariff itself is not high enough to keep imports from damaging domestic production and discouraging domestic expansion.

Finally, subsection (f) provides that no statutory nontariff trade restrictions may be eliminated, or changes in the bases of customs valuation negotiated.

This provision would prevent elimination of the American selling price as a basis of customs valuation. The chemical industry, rubber-soled footwear, and one or two other items would be safeguarded in their possession of the American selling price as the basis of duty assessment.

The Buy American Act, the Antidumping Act, the manufacturing clause of our copyright law and the countervailing duty provision of the Tariff Act of 1930 would be removed from the powers of our negotiators to modify these laws in their bargaining with GATT.

THE TRADE EXPANSION ACT OF 1962

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from North Carolina [Mr. WHITENER] is recognized for 60 minutes.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Speaker and Members of the House, back in 1962 when we considered and passed the Trade Expansion Act here in the House of Representatives, I was one of those who voted against it because I was apprehensive that it would not prove to be to the best interests of our country to support the legislation.

Mr. Speaker, there were many Members of the House who supported this so-called Trade Expansion Act of 1962, and in supporting it they were just as satisfied as could be that it would be to the best interests of the country. But, now that experience has been had I am sure that many of those are now deciding that perhaps they were in error in giving their support to that legislation.

Mr. Speaker, I was interested just recently in some statistics which I received from an industry that is not operative in the area that I represent. But I believe that their experience is not unlike that of many other industries. They pointed out that between 1956 and 1962 imports of drawn wire excluding baling wire, had increased by 375.50 percent which represents a figure in tons of from 47,040 tons in 1956 to 223,673 tons in 1962.

Mr. Speaker, in their statement to me this organization further pointed out that during the past 5 years at least three companies in the United States had given up completely the production of wires. These companies were the Wickwire-Spencer Co., of Buffalo, N.Y.; the Pittsburgh Steel Co. and Bethlehem Steel Co. One of the reasons that they had to give up, of course, was that they just could not compete with the foreign imports of wire.

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

Mr. WHITENER. I am happy to yield to the gentleman from South Dakota.

Mr. BERRY. I have been told by carpenters and contractors that it is absolutely impossible to buy a domestically made nail and this has been true for the last several years.

This fits in exactly with what the gentleman from North Carolina is saying. Nails and staples, along with wire, are all imported today.

Mr. WHITENER. And, for the most part from Belgium and West Germany.

I might say to my friend from South Dakota that it is not difficult to understand when we realize that the average hourly wage paid for the production of nails and wire in this country is $3.87; whereas, in England the rate of pay is only $1.14 an hour and in West Germany, $1.43. In Belgium that wage is $1.06. On top of that I am told that they have tax concessions within their own country which contribute to this price-cutting facility which they enjoy and which is actually eliminating, as I pointed out, some of our most efficient manufacturing concerns from competition in this field.

Mr. BERRY. Mr. Speaker, will the gentleman yield further?

Mr. WHITENER. I yield further to the gentleman from South Dakota.

Mr. BERRY. Even if they did not have direct tax concessions in those countries the manufacturers of those commodities do not have to pay their proportionate share of the $50 billion defense bill that our manufacturers have to pay. This is the thing that puts us out of competition with industry from foreign countries, primarily.

Mr. WHITENER. I know that the gentleman from South Dakota is aware of the fact that in most of these areas, particularly West Germany and Belgium, today instead of having an unemployment problem the problem is just the reverse, and they are having difficulty finding enough workmen——

Mr. BERRY. They bring them in from Italy.

Mr. WHITENER. To produce these goods which they are dumping in this country at prices which are lower than our people can compete with.

I mentioned this letter I had from some of the wire people. I only mention that to show that that is happening in that industry; but the wire indusry and the nail indusry, instead of being an exception, I suppose it is more or less the rule.

The same thing is happening in textiles, and in other fields, particularly, as the gentleman well knows, in cattle, and even from New Zealand and Australia I understand they are shipping apples in notwithstanding their bulk and cost of shipping, to sell to our people.

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

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

Mr. PILLION. I tried to verify the gentleman's statement concerning the closing down of the Wickwire-Spencer plant of the Colorado Iron & Fuel Co., which was located in the Buffalo area.

One of the major reasons for that shutdown was the foreign imports of wire and, of course, that closing put something like 1,500 workmen out of work in that area.

I might say that in the steel business you have increasing competition also from Japan, where they have the most modern steel plants and modern machinery.

Mr. WHITENER. Now, the second largest steel producing country in the world.

Mr. PILLION. That is right, in spite of lack of resources, raw materials, that they have to bring in from foreign nations. With their new machinery the productivity of a workman in Japan is just as great as that in the United States.

Mr. WHITENER. But the wages are not the same.

Mr. PILLION. The wages are one-fifth of those in the United States, something like 75 cents or 80 cents, whereas our wages are between $3 and $4. We have a real problem in the steel industry that is such a great part of our economy. I just wanted to add that to what the gentleman has been saying on this particular subject.

Mr. WHITENER. As the gentleman indicated his familiarity with the Wickwire-Spencer Co., of Buffalo, I think the gentleman will agree with me that that company and the Pittsburgh Steel Co., and the Bethlehem Steel Co., would hardly fit into the category of an industry that we heard so much about from our State Department friends, as "inefficient industries."

Mr. PILLION. Hardly. They are about as efficient as you can get them. If they close up, it is a pretty tough situation.

Mr. WHITENER. And companies of that type in this country are forced to give up the ghost, so to speak, so that we can hardly expect new companies to emerge on the horizon.

Mr. PILLION. It is impossible for a new corporation to build up to a productive unit.

Mr. WHITENER. I thank the gentleman from New York. I was happy to be able to join with him in this 2-hour discussion today. I also join with him in introducing the legislation which so many of our colleagues have joined us in on this important day in the history of this Congress.

Mr. Speaker, I have taken the floor on numerous occasions in a continuing effort to prevent imports from visiting destruction on one of America's leading industries, namely, textiles. It is a matter of record and I have perhaps tried your patience in the process.

I am taking the floor today in pursuit of the same objective, and also a broader one. It is true that the situation has improved with respect to the textile industry, which is the leading industry in my district. This improvement, however, does not have the marks of permanency and in fact, as matters stand, is temporary. The international agreement under which textile exporting countries limit their exports to us has only 3½ more years to run. This fact will soon confront the industry with uncertainty and it will become more difficult to plan long-range investments and expansion programs.

Today there is a threat on the horizon and I do not think that it should be lightly dismissed. I refer to the GATT tariff reduction conference that convened on May 4 and will resume on November 16. Under the grant of authority extended to the President under the Trade Expansion Act of 1962, the existing tariffs on textiles as well as nearly all other products could be reduced another 50 percent.

It might occur to our trade negotiators that such a reduction on textiles could be justified on the ground that the quota limitations now in existence would in any case restrict imports and therefore reduction of the tariff could do no damage. I cannot subscribe to such a view. There is and can be no assurance that the international agreement will be renewed. Should it be allowed to lapse or should some of the leading countries that are a party to it refuse to extend it upon expiration, we would thus find the American textile industry, with the tariff reduced 50 percent, exposed more grievously than it was even before the international agreement was negotiated.

Mr. Speaker, the proposed legislation would avoid further tariff reductions on articles or products that have reached levels of importation high enough to demonstrate that the existing tariff is not unduly restrictive. It assumes that past tariff reductions have gone far enough to open our market to a liberal volume of imports and that further reductions would merely expose domestic producers to a yet greater flood of imports. The criteria proposed in the legislation are designed, not to increase any duties, but to exclude articles that have contributed their fair share or more to the policy of increasing imports. Whatever this policy may be worth it should not be saddled disproportionately on particular products. Those that have already experienced a heavy impact of competitive imports should not be asked to make a yet more burdensome contribution.

This is the spirit of the proposed legislation. Products that would appear to benefit from its passage by being removed from the President's list would include textile products, beef, and some fishery products, certain steel products, certain items of footwear, lead and zinc, copper, hardwood plywood, woolen goods including some items of apparel, consumer electronic goods, items of glassware and pottery, tile, wood screws, farm products that are under price support or price stabilization, including dairy products.

I do not believe that Congress contemplated as broad a sweep of tariff reductions as is now proposed. The decision to cut nearly all products by 50 percent was an administrative one. The Congress, taking its cue from past practices, expected selective reductions, that would be made in the light of the hearings which were provided for in the act.

Now we find that this reasonable approach was jettisoned by administrative decision. This decision was incorporated in an agreement reached in Geneva in May a year ago. This was to the effect that all items, with a bare minimum of execptions, would be included.

The statute, that is, the Trade Expansion Act of 1962, itself reserved a few items. With the exception of petroleum and petroleum products, which was reserved, the imports of the other items put on the reserved list represented less than 1 percent of total imports. These were the successful escape clause items.

In all past tariff-reduction conferences, numerous items were withheld, not by law but by the negotiators. Textile products were held back until 1955. When the duty was reduced a flood of imports broke over the domestic industry and the industry was soon in deep distress.

Such an experience should have taught our trade-law administrators a lesson; but apparently the lesson was lost on them.

Mr. Speaker, the injury inflicted by imports is at least twofold. Imports capture a share of the domestic market and thus reduce the sales of the domestic manufacturers. Workers are thrown out of jobs. This represents the direct damage.

There is a further damage in the discouraging market outlook produced by the imports. Domestic companies, with few exceptions, will not venture into expansion programs when the doors to imports remain wide open and when they have seen imports take a growing share of the market. This hesitancy results inevitably in stagnation, a decline in new investment, et cetera, and therefore the industry does not hire its normal share of new workers who come on the scene as a result of population increase. Therefore unemployment is fed from two sources; namely, from actual displacement of workers by imports and from the failure of new jobs to open up.

I have said the injury from rising competitive imports is at least twofold. When the imports rise like a tide that no one can stop, industries come under great pressure to become more competitive in order to avoid being driven out of business. The only recourse then lies in the installation of laborsaving machinery and resort to as much automation as possible. The effects of this course may be a lifesaver as far as the companies are concerned, although there it does not always succeed by any means; but employment is reduced by the very process by which the industry seeks to save itself. This then is a third source of unemployment.

Laborsaving machinery under different circumstances, when the market is not invaded by cheap goods from abroad, will in time usually lead to enough increased consumption to call for additional employment. This beneficial result does not develop when imports are catering to the price-sensitive consumer and therefore preempt his patronage. The result is net unemployment and a recession of the domestic industry to a lower share of the total market.

It is for this reason that the proposed legislation would reserve articles in the production of which the number of production workers had declined as much as 10 percent since 1958 while imports have grown more rapidly than domestic output.

If this principle had been followed in the past some of the distress caused by imports in the past 10 years might have been prevented.

Mr. Speaker, I know that it will be said that today the economy is expanding and that capital investment is reaching record levels. We should keep in mind that we have in the past also had such expansion followed by recessions. I sincerely hope that we are not facing a recession now or any time soon, but we cannot assume that we are free of these cyclical swings. We must not be too eager to base policies on recent developments.

Also I would like to point out three things about the recent expansion in capital investment in this country. One is that only in 1963 did we exceed the 1955 level; and this was without shrinking the 1963 dollar to the 1955 dollar. If that were done the 1963 figures would slip from their record status. Second, most of the investment in new plant and equipment which is expected to reach a record level of about $42 billion during the present year is going into nonmanufacturing activities, such as utilities, communications, transportation, commercial operations, and so forth. Only about 40 percent has been going into manufacturing plant and equipment. Third, of the amount going into manufacturing, that is some, $17 billion, nearly two-thirds will go into modernization. This leaves only some $6 or $7 billion going into expansion of manufacturing facilities.

Modernization usually means installation of more productive and less labor intensive equipment. The heavier the pressure from imports, the greater the pressure for this type of investment as distinguished from plant expansion.

There is a fourth comment that should also be made. Our foreign investments have experienced quite a boom while we have since 1957 until this year virtually stood still at home. This simply meant that many of our industries found the investment outlook abroad more attractive than here at home. Also it represented an effort to hold foreign markets by investing there rather than depending on exports from the United States.

Mr. Speaker, quite a bit of the increase in our exports in recent years can be accounted for by these foreign investments and by various programs of Government aid or subsidization. The foreign investments led to an increase in the exports of machinery and parts, but this may be a self-defeating process.

I am convinced that we are on the wrong track when we propose to cut our remaining tariffs in half and thus overexpose those of our industries that are already suffering from severe import competition. We will do untold damage in all those respects that I have just enumerated. We will generate discouragement of investment; we will cause displacement of more workers, a greater outward movement to foreign countries by capital that would otherwise go into new plant and equipment here; and we will underwrite industrial stagnation once the benefits of the recent tax reductions have been absorbed, if we give the trade program's administrators their head.

It is for this reason that I am in support of the proposed legislation which I am introducing along with my colleagues.

I join with the others in calling for early hearings by the Ways and Means Committee because the time for action is short.

Mr. SENNER. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. WHITENER. I will be more than happy to yield to the gentleman from Arizona.

Mr. SENNER. I gladly associate myself with the distinguished gentleman from North Carolina and with his remarks made here on the floor today. His words show his deep concern with events since the passage of the Trade Expansion Act of 1962, events which have had and are having serious effects in our respective districts.

I was not here at the time of passage of the Trade Expansion Act; I did not vote on it. But I am convinced that further reductions in tariffs on products which are the mainstay of the economies of communities in my district would case extreme hardship to worker, ranchman, farmer, lumberman, and miner. Already cattle, lumber, and copper industries are seriously affected.

I have previously pointed out to my colleagues that the copper industry is vital to the economy of the State of Arizona, and indeed to the entire Nation. This is especially true in my own third congressional district of Arizona. There many communities depend upon mining for life itself. They are "one-industry" towns.

The American copper industry pays a decent wage scale to its workers, averaging $22.56 per day. Must this native industry then complete with foreign producers who pay as little as $2 to $3 a day? American copper industry management and labor adhere to rigid safety rules and regulation. Must they then go into open market competition against foreign industries in which production is the only rule and in which the health and lives of men is of no consequence?

But in any case, must we not preserve this vital industry for the safety of the Nation? Mines and mining are important to the national defense, fully as vital as missile sites, air bases, and the basic weapons of war. A mine is not developed overnight. If the time comes when the Nation must depend completely upon domestic production, the mining industry must be strong and healthy.

The record of imports shows that these products now flow freely into the country. Why then further tariff reductions? The Trade Expansion Act of 1962 provided for extensive and intensive hearings by the Tariff Commission, yet the President's Special Representative agreed with the GATT—General Agreement on Tariffs and Trade—that all items of our tariff would be offered for the 50-percent cut and that exceptions would be kept to the bare minimum.

Surely, Mr. Speaker, that was contrary to past practice and violated the purpose of the hearings before the Tariff Commission, hearings which consumed some 4 months' time and the testimony of a thousand witnesses. Now the ground is cut from under them. The President's Special Representative went further. He agreed that any list submitted by this country as its exceptions will be subject to "confrontation and justification." Other countries may then question any item on the list of exceptions, may persuade our negotiators to take some of these exceptions off the list, even though this list of exceptions is supposedly the bare minimum.

The adjustment assistance provided by the Trade Act to industries mortally wounded by deep tariff cuts has been shown to be a dead issue. The Tariff Commission has refused adjustment assistance to any kind of industry or labor during the last year and a half since the act became effective.

As I understand it, the gentleman from North Carolina would amend the Trade Expansion Act of 1962 to provide safeguards, to prevent further reductions of tariffs on certain imports. This is not indiscriminate. He would put them to the test: First, has there been more than a 100-percent increase in imports of that certain commodity since 1958; second, have imports of that commodity exceeded 10 percent or more per year of domestic production?

Copper is not my only interest, Mr. Speaker, but I must point out that according to figures in my hands, net imports of copper during the year 1958 totaled 92,142 short tons. In 1963 copper imports had reached a shocking 222,-142 short tons. And percentagewise, imports have far exceeded 10 percent of domestic production. This was true in 1958 and each succeeding year. It is true today.

Imports have already taken a liberal share of our markets. Further tariff cuts would jeopardize the very existence of vital industries. Further cuts threaten not only these industries directly, but affect all associated with them directly and indirectly.

I am happy to join the gentleman from North Carolina [Mr. WHITENER] in support of this legislation; I also sponsor it. Congress must speak plainly. We must make our intention clear. To do otherwise or to refuse to act is folly.

Mr. WAGGONNER. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. HUDDLESTON] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, I agree with the purpose of the bill to amend the Trade Expansion Act of 1962. It is obvious from what has happened since its passage that it is badly in need of amendment. While the present bill is designed as a preventive measure against excessive future damage to many of our industries and their workers and is not aimed at increasing tariff rates or improving the remedy against injury contained in the act, I think it nevertheless has great merit. It would temper the excesses to which those responsible for the GATT negotiations have committed themselves.

I am sure that it was not contemplated by Congress that the authority to reduce our tariffs another 50 percent, among other reductions, would be pressed to the extreme degree to which our negotiators have committed themselves. With minor exceptions the whole tariff list of more than 5,000 items will, under the terms accepted by our negotiators, be exposed to wholesale evisceration. This represents extremism of the highest degree.

That the competitive capacity of our industries varies greatly has long been recognized. Why then should tariff reductions be made across the board as is now the intention? Costs of production vary greatly among the countries that export to us. Some products come principally from the lowest wage and lowest cost areas of the world. Why should they be lumped indistinguishably with those that come largely from the higher cost areas? We have different levels of tariffs to fit the different needs. Why ignore this principle now?

The only answer must lie in the view that we really need no tariffs and the sooner we rip off what we have left of them, the better. This, however, was not the intent of Congress in passing the act 2 years ago. Had that been the purpose there would have been no point in providing for extensive hearings before the Tariff Commission. Yet such hearings were called for in the act, and they were held in fact. Had the Congress intended wholesale, across-the-board cuts it could very easily have provided for that approach. It did not do so. It made provision for selectivity by calling for Tariff Commission hearings dedicated to the careful examination of individual products.

Yet we now find ourselves committed to a course that makes a travesty of the hearings. The hearings were held over a 120-day period and they were concluded about 3 months ago. Are we now to say that these hearings were a mere exercise in blowing off steam? That would be a very cynical interpretation indeed, but that is what they would come

to be if our GATT negotiators are not diverted from their present course.

Mr. Speaker, something is obviously wrong here, and it is not difficult to place the blame. It lies with the people downtown who have elected to disregard the integrity of the hearings process and proceeded to make mere puppets out of the many witnesses who appeared before the Commission in response to what they regarded as hearings worthy of the American standard of honesty and integrity. They will be badly duped unless something is done and done soon. The indignity should be corrected. We cannot afford to debase the processes of government in this fashion. If the procedure of public hearings to which we are properly wedded is to be debased in this fashion without vehement protest, we shall rue the example and the consequences.

My district has an interest and a legitimate one in this legislation. Steel and coal provide a great deal of employment in my home area. To expose steel to further tariff reduction in the face of the import and export record of the past 5 years would be an act of economic irresponsibility or worse.

Yet that is not all that is at stake here. Honesty of government is involved. How much confidence can the public have in our Government processes if they are subject to such abuses with impunity? I feel very strongly that this action must be challenged and brought out into the open. The action of the negotiators who have brought the hearings before the Tariff Commission into imminent disrepute must not only be challenged. It must be repudiated. The record must be rolled back and played straight, from a new start. The hearings of the Commission must be given the weight to which they are entitled. It would be an act of weak-kneed expediency and complacency to let the record of the negotiators stand where it is today.

I therefore not only agree with the present legislation, I shall cosponsor it and do all within my power to see that it passes. Obviously this Congress must spell out what it means or the guidelines will be wholly disregarded. It is time in any case that we assert more of our authority under the Constitution to regulate our foreign commerce. We have here an example of what may happen when we give the reins into the hands of those who have no responsiveness to the electorate or the people back home. These look to us to uphold their most vital interests. It should be a lesson that we should not forget as we observe the administration of the Trade Expansion Act.

Mr. Speaker, I hope that the Ways and Means Committee will treat this bill with the gravity to which it is entitled and that we may soon correct the course taken by the negotiators with GATT.

Mr. WAGGONNER. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. FISHER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FISHER. Mr. Speaker, not many weeks ago I, myself, occupied some time on this floor under a special order. At that time I expressed dissatisfaction over the Trade Expansion Act and what it is designed to do. I cited several industries in my district, particularly cattle, sheep, and tile, that would be distressed if further duty reductions were made under GATT—General Agreement on Tariffs and Trade.

Since that time the opening meeting of GATT was held on May 4 in Geneva. Not much was done but it adopted the 50 percent tariff reduction as its "working hypothesis." It adjourned after 2 or 3 days and agreed that at the next meeting the member countries would submit their list of proposed exceptions, items which they would not offer for duty reduction. September 10 was set as the date for this submission but this date was subsequently changed to November 16.

Mr. Speaker, none of the three industries that I have mentioned, that is, beef, wool and mutton, and lamb, and tile, is in a position to face further tariff cuts. Each one made strong representations before the Tariff Commission to this effect during the hearings of December–March.

Unfortunately, Mr. Speaker, it is now becoming known that the Tariff Commission hearings were really an exercise in useless presentation of facts and figures so far as their effect on the GATT negotiations is concerned. The futility and farcical character of the hearings was established by prior agreements reached in May of last year on ground rules that will govern the actual tariff negotiations.

I am not at all happy over these ground rules. It seems to me that they run counter to sensible and expected practices and procedures because they have foreclosed the effect of the public hearings before the Tariff Commission.

Congress called for these hearings to afford domestic industries an opportunity to make a case either for no further duty reductions or for reductions less than 50 percent. It is indeed a matter of record that most of the hundreds of industries that did testify asked for exemption from further tariff cuts on the grounds that imports were either already working injury or threatened such injury. I can say without fear of contradiction that the products about which I am concerned, already mentioned, are in no position to face further tariff reductions. On the contrary, they need either an increase in the tariff or the imposition of import quotas, or both. It is true of beef. It is true of woolen goods and lamb; and it is true of tile.

It therefore comes as a shock to learn so long after the fact that the President's Special Representative had already agreed before the hearings to hold the exceptions to a bare minimum, meaning, of course, almost none at all. Also, keep in mind, the duty reductions are to be by broad categories, thus losing individual items in the broad sweep. Finally, the working hypothesis of GATT when it gets underway is to be the 50 percent reduction. Departures from this rule will be limited to the minuscule number of exceptions, already mentioned, and those that qualify under the disparities principle.

This latter needs a little attention because it is one of those cute little stratagems proposed by the Europeans that have the effect of putting us on the defensive and giving the other side the better part of the bargain.

The Common Market countries seized on the fact that some of our tariffs are considerably higher than the corresponding European rates and they jumped on this phenomenon to draw a bead on us as a high tariff country. The fact is that our tariff averages lower than the common external tariff of the Common Market, or as it will be when it is completely set up. We do have some higher individual rates but we have many lower rates. Also we have an extensive free list that accounts for nearly 40 percent of our total imports. Yet, we, that is, our representatives dealing with GATT, entertained the suggestion that we should reduce our tariff in those instances more sharply than the countries that in particular instances had a lower tariff, that is, say, half as high as ours, or less. If our tariff, for example, were 30 percent while the EEC had a tariff of 15 percent, we would be expected to cut our rate to 15 percent while they would go to only, say, 10 or 12 percent.

A suggestion of this kind, of course, overlooks completely the reason for difference in tariff levels. Our 30-percent rate would most likely not produce a higher payment in dollars and cents than their 15-percent rate, because of our higher prices. The effects of the higher wage standards of this country are completely overlooked.

Then there is another matter that is being kept very quiet. This is that we assess our duty on foreign f.o.b. value while nearly all other countries assess their ad valorem duties on c.i.f. value and this, so far as Europe is concerned, might represent a base that is 20 to 25 percent higher than ours. They include marine insurance and ocean freight from the United States to their ports while we do not include either item on their shipments to us.

If, for example, our item of export is valued at $1 f.o.b., port of export, and the EEC duty is 15 percent, they will assess their duty not on $1 but on $1 plus marine insurance and freight. This would be expected to raise the base to $1.20 or $1.25. We assess our duty on the foreign f.o.b. value without additions of any kind. The foreign value on the same article might well be 75 cents and our duty would be based on 75 cents. The apparent gaping disparity would be greatly narrowed.

Our negotiators have obviously not yet overcome the habit of willingly giving more than we receive. Europeans now acknowledge that in the past we and not European countries did most of the reducing of tariffs. Moreover, in many

cases they backstopped tariff reductions with restrictive quotas, exchange controls, import licenses, transaction taxes, and other tax devices.

It is time that our negotiators overcame their longstanding habit of free-handed negotiations. We have people at home in this country who have a right to expect fair treatment. The workers have jobs at stake, the producers have their home market at stake. The time is past when we can slash our tariff with supposed impunity. Our protection is down a full 80 percent since 1934. How much have the European tariffs been lowered?

This is a dark secret. Any attempt to get an answer to this question is met with all sorts of twists and dodges. If our State Department knows, it has kept a deep silence on the subject. As for the Department of Commerce, they would not utter a word about it if they knew. The State Department would not permit such an indiscretion. That is where the power over our foreign trade has been concentrated and it is jealously guarded there. All the other offices and agencies are no more than helpless satellites. This is a fact that becomes borne in upon anyone who seeks to enlist their help. The Departments of Agriculture, of Commerce, and of Labor all bow to the State Department in a showdown.

Mr. Speaker, the idea that we can advance the economic interests of this country by sacrificing its industries should have been buried under the mountains of evidence that have accumulated in recent years. Other countries will very quickly fill the gap that we vacate. Let us give up the woolgrowing business, and the gap will be filled very quickly. Let us vacate the beef business, and our place will be taken in a matter of time. Let us give up the woolens business, and other countries will soon supply us. Let us forsake the tile business. The same thing will happen.

Yet there are those who cling to the discredited notion that we should give up all instances in which other countries can produce cheaper than we.

Mr. Speaker, such a course would soon leave us denuded of all industry. Other countries are spreading the spectrum of their production and are very eager to jump into anything that we relinquish. It is no longer a question of who can make what, better. Technology is rapidly dissolving the natural advantages of the past; and other countries are catching up with us technologically at breakneck speed.

We will be shortsighted indeed and tragically naive if we think that we can outdo other countries as we could in the past, that is, paying much higher wages and yet compete almost at will. Mr. Speaker, that day is gone. The machine has revolutionized foreign competition. The very people who never weary of exhorting us about the great changes that the postwar world has brought about never once pause to think that some profound changes have also descended upon international competition, with a most telling impact upon the United States.

Big industries have recognized the facts and are adapting as rapidly as possible by becoming international; but how far can this be carried? If the trend is left to itself and is abetted by further tariff cuts by this country, domestic industry will find itself competitively more and more in an untenable position. The farmers, with some exceptions along the borders, cannot very successfully go abroad to sustain their operations; nor can the small businessman. Labor can join the outward procession only if it wishes to emigrate. These elements will be left holding the economic bag. Our exports will inevitably decline except as we subsidize them.

Mr. Speaker, the time has indeed come when the Congress must assess its responsibility and insist on clear guidelines to be followed by the administrators of our trade laws. Otherwise the type of free wheeling that we have witnessed to date by the President's special representative may be expected to continue.

I am therefore in hearty accord with the legislation that is proposed here this afternoon and am delighted to join in the effort to bring some order out of the present chaos. I support the legislation and join others in asking the Committee on Ways and Means to expedite the legislation so that it can be considered in time. I know of no other legislation that would mean more at the moment to the industries that I have mentioned than this legislation. I strongly urge early consideration and passage in time to be effective.

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

Mr. WHITENER. I yield to the gentleman.

Mr. PILLION. Mr. Speaker, it is a great privilege for me to congratulate and to commend the gentleman from North Carolina on his comprehensive, cogent, and informative presentation here today. I would like to assure him I am going to continue my cooperation in working for the objectives that both of us have for the protection of American industry and American labor.

Mr. WHITENER. I certainly thank my friend, the gentleman from New York [Mr. PILLION] for his remarks. I think here again, as he and I and others have spoken today and have joined together, we see that where America's best interests are involved as they are so heavily in this problem, that there is no room for partisanship on the usual order but instead in the interest of our country we must be Americans and not Republicans or Democrats and I would hope that more of our colleagues will have the same view that the gentleman from New York [Mr. PILLION] has had about this matter and in divorcing it from political considerations.

Mr. PILLION. I am sure neither of us are selfish about it. I think we both believe there are many areas in foreign trade where concessions can be made based upon the mutuality of benefit and if we confine ourselves to considerations of mutual benefit, I am sure we can protect the interest not only of this country but also of other countries that we deal with.

Mr. WHITENER. I think the gentleman would agree with me, sometimes we all must feel a little silly here as we labor and work in a legislative way to try to take steps that would create employment in our own country and which would give to our people a higher standard of living and an opportunity to support their families, and then see a bunch of negotiators who have no mandate from the people of any kind but who just happen to have been picked out of the crowd by some appointive authority go to some conference in Geneva or elsewhere and eliminate more American jobs with their signature on a piece of paper than we could create by spending billions of dollars and working diligently here trying to plan for the future of our own people.

Mr. PILLION. Especially when they use our economy for purposes of international diplomacy. I do not mind a little bit of that, but I think that economic considerations should come first and I am sure the gentleman would agree with me.

Mr. WHITENER. I think the gentleman in his characteristic fairness would have to agree with me that this picture that we have is not one which is confined to either a Republican national administration or a Democratic national administration.

Mr. PILLION. No, the gentleman is correct.

Mr. WHITENER. It seems whichever administration we have that they apparently are against doing the things that we think ought to be done to protect our own people.

Mr. PILLION. I certainly agree with the gentleman that there is not a monopoly by any one party so far as our mistakes are concerned along these lines.

Mr. WHITENER. The gentleman has certainly been cooperative not only at this time but in the past and I thank him for his cooperation. I am thankful to our good friend, the gentleman from West Virginia [Mr. MOORE] who has worked so diligently with us on this import problem.

I had the great privilege of visiting some of the textile industries abroad several years ago and of seeing at first hand why we were having a problem in competing. I believe the gentleman from West Virginia [Mr. MOORE] and I came away from Japan and Hong Kong with a new understanding of the problem our people had in competing.

I know that all of us who are interested in the welfare of our country must have our hearts and our minds attuned to Geneva in November, in the hopes that those who are sent there to represent the United States of America will in fact represent America and her people.

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

Mr. WHITENER. I am happy to yield to the gentleman from West Virginia.

Mr. MOORE. I desire very much to compliment the gentleman from North Carolina. As he has indicated, it was our privilege to visit Japan and Hong

Kong, and to take a very close look at the manufacturing practices of the textile industry in these countries.

To my amazement, as much as it was to the gentleman from North Carolina, was the fact that textiles were produced in facilities with what might be called battalion labor. They moved them in and out like troops on the front line. They worked them 8 hours, put them in dormitories, gave them 8 hours' sleep, and brought them back again.

Mr. WHITENER. They paid them 18 cents an hour, as I remember.

Mr. MOORE. Eighteen cents an hour. Right, and the gentleman and I had an opportunity to go through the kitchen, and to see the food line. The food made the poverty situation in America look like some of our most prosperous areas, I believe the gentleman will agree.

Mr. WHITENER. I must confess that the diet of those folks did not seem to be consistent with the good North Carolina and West Virginia appetites.

Mr. MOORE. That was certainly proved to us.

Mr. WHITENER. I feel sure the gentleman will remember one industrial site which struck our eye, in Hong Kong, where they did not have a contractor sign up saying they were going to build a textile plant. There were seven being built on the same location, and all listed on one big board.

Mr. MOORE. That is correct. As a matter of fact, it looked like area redevelopment program in reverse. Their machinery was as up to date, if not more so, than that which is in the State of the gentleman from North Carolina.

Mr. WHITENER. It is more modern.

Mr. MOORE. Again, I pay high compliments to the gentleman from North Carolina and the gentleman from New York for making this presentation today. My district is vitally interested in this legislation which has been proposed. Steel, glass, chemicals and pottery are the economic mainstays of my particular district and of the State of West Virginia. I do not believe they should continue to be sacrificed at the diplomatic whims of the State Department. I say that with all the malice that one can gather under the rules of this House.

I say that because it seems to me that those who are negotiating for the United States have displayed an utter disregard for American industry and American workers and the difficulties that a number of the industries in the United States are experiencing.

Mr. Speaker, I strongly urge that the Committee on Ways and Means immediately consider this presentation by the gentleman from North Carolina and the gentleman from New York in order that we might have this legislation out here for a complete discussion by all of the membership of the House.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WHITENER. Mr. Speaker, I thank my friend the gentleman from West Virginia [Mr. MOORE], who has made such a valuable contribution not only today but in the past in regard to this matter. I will say to him that I hope he and I and others can recruit others to this cause, because I am convinced that it is the cause of a better and greater America.

Mr. MOORE. Mr. Speaker, the Trade Expansion Act of 1962 has had a checkered career. It has failed abysmally to accomplish its central mission so far as its special remedy for injury of a domestic industry and labor is concerned. It has been batted back and forth like a shuttlecock between this country and the Common Market and rendered shameful by the U.S. negotiators who have been so anxious to have the tariff-cutting round succeed that they have accepted ground rules of negotiation that disregard the constitutional position of this country.

As to the first of these observations, the act was to represent a great new departure from the days of Roosevelt and Cordell Hull who both expressed great concern to avoid injury of domestic industry. The new departure was to be marked by ruthless, across-the-board tariff cuts, letting the chips fall where they would. This, of course, represented an irresponsible attitude. Injury to domestic industry was to be no deterrent to deep tariff cuts. The Government would open its purse strings and come to the assistance of industries or companies or labor groups that were seriously injured by imports.

Up to now 11 such cases have been processed by the Tariff Commission and not a single company, not a single industry, and not a single worker has been helped. It was a questionable concept in any case since we were to cause the injury and then provide the rescue; but having been adopted, the language of the act should have been designed to promote the interest of the law rather than restraining it. Instead, the statute laid down almost impossible conditions.

We know from the record that the act must be amended if it is to be in the least responsive to the needs of those elements of industry and labor that are sorely beset by imports. Yet, there is great fear of amendment lest once in the Congress, the amendment might become a vehicle for changing other parts of the act. This fear represents a recognition of the fact that the act of 1962 was passed under circumstances that could not be repeated.

Mr. Speaker, the second observation refers to the weak posture of our negotiators vis-a-vis the GATT and the Common Market. Of course, this should cause no surprise since the Trade Expansion Act of 1962 was the brainchild of our State Department's zealous free traders who think there is a pot of gold at the end of the rainbow.

They proceeded early to forget that the Congress plays a part or should play a part in the regulation of our foreign commerce, something that is provided in the Constitution. Also, of course, the Congress is vested with authority to lay and collect duties. The State Department and its helpmeets in other departments have so long ignored these facts that they now habitually proceed as if the power were concentrated constitutionally in the executive.

No one need be surprised then to learn that our negotiators virtually threw the game before it started. They extended forward their hands, clapsed together, so to speak, toward GATT, and the GATT knew exactly what to do, and did it. When "Operation Manacle" was completed our hands were well tied and that is the posture our negotiators seem to prefer. They can then plead lack of bargaining power and excuse failures to clear away foreign obstacles to our exports.

To be specific, the President's special representatives accepted prenegotiating conditions that effectively tied our hands. One element of the agreement was that exceptions to or reservations from the bargaining list of items would be held to a bare minimum. By any definition this boils down to a very small proportion of anything.

Even this was not enough. We, meaning our official representative, speaking for the United States, agreed that any list of exceptions that would be presented, even though held to a bare minimum of items, would be subject to confrontation and justification. This meant that the other members of GATT would be in a position to challenge the inclusion of this or that item in our list of exceptions or reservations; and we might then drop some of the items from the list.

I wish that someone would explain to me where this leaves the exercise of judgment in a matter so vital to many of our industries.

I wish someone would also explain to me in clear terms how this submission to a challenge by GATT members of items on our list, items, mind you, placed there in pursuance of the ruling statute; that is, the Trade Expansion Act, can be reconciled with the constitutional power of Congress. The exercise of judgment by which a conclusion is reached in so vital a matter is passed to persons who are not even citizens of the United States but representatives of foreign countries that are our trade competitors.

When such things are done by our trade representatives it becomes clear that they have no regard for the law. Why would the law require hearings, as it does in section 221, by the Tariff Commission, if a bare minimum of exceptions would in any case deprive the hearings of any value? It is like the old story of giving an accused man a fair trial first, as a matter of complying with the law, and then hanging him.

Mr. Speaker, section 221 of the Trade Expansion Act requires that the President furnish the Tariff Commission with a list of articles that may be considered for duty reductions, and so forth. The Tariff Commission is then to hold public hearings and then to advise the President with respect to "each article" of its judgment as to the probable economic effect of modification of duties, and so forth.

The Commission is to investigate—to quote: "conditions, causes, and effects relating to competition between foreign industries producing the articles in question and the domestic industries;" also "to analyze the production, trade, and

consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned and other economic factors including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production."

Mr. Speaker, from all appearances the Tariff Commission is to look quite thoroughly into the many factors that would affect the competitive position of domestic producers of the articles that are to be considered for tariff reductions. Hardly anything is overlooked. The citation I have just made seems complete, but there is more yet.

The Tariff Commission is also to "describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause."

I have been quoting from section 221 of the act. The function laid on the Commission is impressive. It represents a serious approach and deep concern for the welfare of domestic industry, as it properly should.

And yet there is more. The Commission is to make "special studies—including studies of real wages paid in foreign supplying industries—whenever deemed to be warranted, of particular proposed modifications affecting U.S. industry, agriculture, and labor."

What more consideration and solicitude for American industry, agriculture, and labor could anyone ask? The requirements are very extensive.

Mr. Speaker, the Tariff Commission did hold hearings, detailed hearings, extending over a period of 4 months.

Looking at the agreement reached by our GATT negotiators in 1963, already mentioned, before even a shot was fired in actual bargaining which has not even yet begun, that is, agreeing to a "bare minimum of exceptions" and "confrontation and justification," Mr. Speaker, one feels stunned.

There is evident here a gross disregard of congressional intent, a contemptuous regard of the Tariff Commission, and indifference to the inescapable debasement of witnesses who appeared before the Commission under these circumstances, including numerous Members of Congress.

It would be contended that refusal to delist items does not mean that full consideration will not be given to the testimony of witnesses; but to make such a rebuttal overlooks the fact that tariff reductions are to be made by broad categories and that this prevents consideration of individual items. It also overlooks the agreement reached by GATT that reductions, except for the items reserved and certain "disparity" items, is to be 50 percent.

Mr. Speaker, the record of administration of the Trade Expansion Act to date is a record of incompetence, gross disregard of legalities, and contempt for domestic economic interests. Such a record was indeed foreshadowed by the shoddy and intemperate character of the legislation itself, which is contradictory in some of the principal provisions, impossible in some of its exactions, and ill-fitted to the needs of American industry, agriculture, and labor. It was indeed the product of exuberant neophytes and superenthusiasts who were in a great hurry to make the free trade dream come true. The result was a bad law that would discredit all who had anything to do with its administration. In this it has succeeded.

Perhaps I should say rather that this monstrous legislative freak which straddles several mutually contradictory objectives and philosophies at once, made its administration a human impossibility. Therefore those who have put their hands to it have been made to look foolish and incompetent.

The act should in fact be repealed, and we should start over again. In lieu of repeal, I heartily agree that a major operation is necessary. We in Congress cannot in good conscience avoid laying down specific criteria to guide the administrators and by so doing pull them out of the morass and also uphold the constitutional function of Congress.

I agree with the gentleman from New York [Mr. PILLION] and join him in the introduction of legislation that, if adopted, would go some distance in rescuing the act's administration from the impossible position in which it now finds itself. I refer both to the negotiations for tariff reductions and the Tariff Commission's record under the adjustment assistance provisions.

My district is vitally concerned with this legislation. Steel, glass, chemicals, and pottery are the economic mainstay of many communities in my part of West Virginia. I do not think they should be sacrificed to the diplomatic whims of the State Department.

I strongly urge that the Committee on Ways and Means give immediate consideration to this legislation and bring out the bill for consideration by this body in its present session. The longer we wait, the deeper the administration of the act will sink in the morass.

ATTACK BY WILLIAM L. SLAYTON

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from Texas [Mr. DOWDY] is recognized for 60 minutes.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOWDY. Mr. Speaker, my remarks will be concerning the attack by William L. Slayton, Commissioner of the Urban Renewal Administration, upon an article I wrote which appeared in the March 1964 issue of the Reader's Digest, and which was entitled "The Mounting Scandal of Urban Renewal." Shortly after the article appeared, under date April 8, 1964, Mr. Slayton wrote to Mr. DeWitt Wallace, editor and publisher of the Reader's Digest, saying that my article contained "misleading and incorrect statements," and at the same time, Slayton released to the press copies of an alleged point-by-point rebuttal of my article.

In declaring that I made "misleading and incorrect" statements, Mr. Slayton has willfully and maliciously deceived the public. His so-called rebuttal is not factual; it is, in truth, so patently false that it raises a serious question as to whether Mr. Slayton is qualified to remain in his post as a high official in the executive branch of the Federal Government. By making claims which are untrue, his attack became an unwarranted use of power and a threat to the independence of the legislative branch of Government.

Let me expose the perfidy of Mr. Slayton's attack upon a Member of Congress. And, I might add, he also attacked the truthfulness of a statement, quoted by me, made by a Member of the other body, plus the accuracy of a report, quoted by me, made by the Honorable Thomas J. Buckley, State auditor of the Commonwealth of Massachusetts, concerning the accounts of the Boston Redevelopment Authority.

After all, it is the Congress, rather than myself, which has the most to lose from such attacks. If a high official of the executive branch of the Government, such as William L. Slayton, can make false accusations against Congressmen and Senators, and then can successfully palm off those accusations upon the public, the intimidation of the Legislature will have been complete. Members of this body might not then dare expose the wickedness of those officials, or attempt to stand against them. The Congress would, in truth, become a rubberstamp, and the separation of powers established by the Constitution would become a mockery.

I will now supply the facts so that the kind of infamy initiated by this particular Federal official will not again be attempted upon myself or any other Member of this body. In his so-called rebuttal to my Reader's Digest article, Mr. Slayton specifically states that my charge of prodigal spending for urban renewal is "not so." He insisted, and I quote:

> Cities have paid more than $319 million of their share in cash (for urban renewal)—the total amounting to more than 35 percent of the total local share of net costs.

When Slayton released this rebuttal, I was in Texas involved in a primary race; I could not make an immediate reply, but on that same day my good friend and colleague, the gentleman from Iowa [Mr. KYL], came to my support and proved Slayton's statement to be false, fraudulent, and deceitful. When the gentleman from Iowa [Mr. KYL], speaking here on the floor of the House, questioned Mr. Slayton's figure of $319 million, Slayton not only acknowledged the figure was wrong, but immediately lopped $71 million from the figure and reduced the amount of alleged city cash contributions to $248 million. Following this, the gentleman from Iowa [Mr. KYL] asked Slayton to prove his new figure. But Slay-

ton refused, apparently because his new figure is also a deliberate misrepresentation, and he cannot substantiate it.

It may astonish some Members of Congress that the Administrator of an agency which spends billions of dollars of Federal funds would accuse a Member of Congress of making misstatements, and in so doing make a $71 million error himself. But this is par for Mr. Slayton. It is only part of the curious pattern of his career. For example, during his testimony before the Subcommittee on Housing of the Committee on Banking and Currency of the House of Representatives in November of last year, Mr. Slayton was asked to provide information concerning redevelopment companies which were operating in communities across the Nation and which had undertaken urban renewal projects—page 460, hearings before Subcommittee on Housing of the Committee on Banking and Currency, November 21, 1963. Mr. Slayton testified that such a tabulation existed, and he agreed to furnish it for the record. Furthermore, he promised to update the tabulation and make it more current.

But look what happened. The tabulation Slayton submitted merely listed redevelopers participating in urban renewal projects as of March 1958. This list was worthless; it was 6 years old. Still, some interesting facts can be gathered from such meager information. The tabulation shows that in 1958 Mr. Slayton was a vice president of the redevelopment firm of Webb & Knapp of New York, which was and had been extremely active in connection with urban renewal throughout the Nation. But Slayton's list represents this giant in the redevelopment field as being a pigmy. Slayton's list showed Webb & Knapp to be operating in only one city, Chicago, where it was redeveloping projects Hyde Park A and B.

The list ignores the District of Columbia. There is no mention of the southwest area C urban renewal project; neither was Webb & Knapp revealed as the project redeveloper, although on March 15, 1954, the Redevelopment Land Agency of the District of Columbia entered into a memorandum of agreement with Webb & Knapp Co., which provided for the exclusive, noncompetitive redevelopment of that project area in Washington. I wonder what explanation Mr. Slayton will have as to why this 451-acre project and the name of his former employer with whom he served as vice president in charge of Washington, D.C., operations is not listed in this table.

I think it is common knowledge to other Members of the House that from 1955 to 1960, while Mr. Slayton served as vice president to Webb & Knapp Co., this company was extremely active in other cities such as New York, Chicago and Denver. I wonder what explanation he will have as to why other cities besides Washington, D.C., are not mentioned showing where Webb & Knapp Co. was a redeveloper.

Some time later Mr. Slayton submitted another list for the record—it can be found on page 466 of the subcommittee's printed hearings. This table is very interesting since Mr. Slayton resorted to reporting only from July through November of 1963. Here, instead of naming the redevelopers involved, he used the device of labeling after each city in parentheses a letter "L" meaning local redeveloper, and the letter "N" meaning national redeveloper. This device clearly conceals the identity of all redevelopers and precludes any judgment as to whether or not the table is accurate.

What is more astounding is that in this list the District of Columbia is followed by the letter "L," meaning that all the redevelopers are local firms. A footnote defines a local redeveloper as one who has his principal office or business within the community. Mr. Slayton might someday explain to Congress how Webb & Knapp suddenly became a local redeveloper in Washington, D.C., when its principal office is in New York City.

Still, Mr. Slayton is consistent. This list showed that all the redevelopers in Chicago including Webb & Knapp were local firms. Does Webb & Knapp Co. have its "principal" office in three or more cities, or are the facts concealed by this phony method of reporting?

As a former vice president of the Webb & Knapp Co. from 1955 to 1960, Mr. Slayton ought to know the answers. And when the Congress asks him for information, he should be more accurate and informative, even though it requires disclosures relating to his former business connections.

These examples not only indicate that Mr. Slayton's statements are unreliable but that he furnishes Congress with statements and data which are incomplete, untrustworthy, and calculated to hide the facts which Congress seeks. It would be most revealing if Mr. Slayton were to produce a full and complete list of all the cities and the urban renewal projects in which he was personally involved through his former business connections; namely, the I. M. Pei & Associates and the Webb & Knapp Co., or any subsidiary corporations or organizations established by either of those firms.

Now, since Mr. Slayton has questioned the veracity of my facts in my Reader's Digest article yet refuses to document the alleged facts he submits in rebuttal, let me, for the record, show the iron-cored strength of my sources. Mr. Slayton alleges that my statements are "incorrect," yet the truth is that my staff and I spent weeks checking records to verify the facts, and thereafter Reader's Digest editors and researchers made further independent review, checking out every item. Thus the article, as printed, was based on sworn testimony before House District of Columbia Subcommittee No. 4 of which I am chairman, on numerous reports made by the General Accounting Office and on the "Report on the Examination of the Accounts of the Boston Redevelopment Authority" by Thomas J. Buckley, State Auditor for the Commonwealth of Massachusetts.

Now despite the fact that the Reader's Digest editorial staff made certain that the information contained in my article, and which they were supplying to their magazine's readership—the largest readership in the world—was truthful, Mr. Slayton has seen fit to use the taxpayers' money to spread false statements and smear the article, the Reader's Digest and a Congressman from coast to coast.

This is a growing evil—this use of the lie technique to discredit and intimidate all who would criticize dubious programs of big government, whether it be a Member of Congress or a reputable reporter and his publication. Let me now expose this lie technique as it is being brazenly used by Mr. Slayton in connection with my article.

I said in the Reader's Digest that:

> Many big projects have been carried out competently, but in a shockingly large number, costs have skyrocketed. Charges of graft, favoritism, waste, arbitrary use of power have risen to a roar.

Mr. Slayton contends this is not true.

Mr. Speaker, official documents show him to be wrong. If he has not read those documents, he is incompetent to hold the position he has. If he has read them, then his dishonesty disqualifies him for the position he has. The urban renewal scandal exists on a nationwide basis.

I have before me 14 separate reports to the U.S. Congress by the Comptroller General of the United States concerning urban renewal. This stack is 4 inches high and contains 760 pages. Let us use them as examples.

First of all, in February 1964 the Comptroller General submitted to Congress his annual compilation of findings and recommendations for improving the administration of Government operations. This covered fiscal year 1963. The Comptroller General's findings and recommendations for improving shoddy urban renewal administrative practices ran eight single-spaced pages.

The Comptroller General stated on page 99 of this report, and I quote, that the:

> Housing and Home Finance Agency (HHFA) repeatedly recertified cities' programs for elimination and preventing slums and blight although no appreciable progress had been made in correcting program deficiencies.

Mr. Speaker, this statement alone is worthy of sparking a nationwide congressional investigation. But there is a great deal more that demands a full-scale investigation. A further point made on page 101 of the Comptroller General's report was, and I quote:

> Federal financial assistance should not be extended to cities not making reasonable progress in correcting significant deficiencies in their programs for eliminating and preventing slums and blight. (In one case) an HHFA regional office executed a planning and survey contract with the city without reevaluating the city's seriously deficient program for eliminating and preventing slums and blight.

Worse yet, the Comptroller General pointed out on the same page that there was, and again I quote—

> a need for improved administration of the relocation phase of programs for eliminating and preventing slums and blight. The Housing and Home Finance Agency's procedures and practices,

The report noted,

> Were not adequate to provide reasonable assurance that cities could provide decent,

safe, and sanitary housing for displaced families, as intended by section 105(c) of the Housing Act of 1949, as amended.

The Comptroller General continued, and I quote:

In certain cities whose programs had been certified and recertified as acceptable by the Administrator, HHFA, families displaced by slum clearance projects were relocated permanently into substandard housing.

Every Member of Congress should agree, Mr. Speaker, that this statement of urban renewal woes made by one of the most respected members of the Government, the Comptroller General of the United States, strikes at the very heart of the urban renewal problem and demands further investigation. Instead of providing a decent home for every American, the Urban Renewal Agency, in too many cases, forces the poor to suffer unnecessary indignities. It moves them from merely poor housing, which in many cases is owned by these people, into worse, or "substandard," housing; urban renewal frequently, through eminent domain, takes the homes of the poor and drives them into the clutches of slum landlords.

Mr. Speaker, the criticisms leveled at urban renewal by the Comptroller General of the United States do not stop at this point. Here are other matters he raised in this particular report:

First. On page 102 the Comptroller General stated that, and I quote:

Revisions [should be] made to eliminate ineligible and excessive costs from noncash grant-in-aid credits.

Before going further, let me explain what is meant by noncash grant-in-aid credits. When the Federal Government begins an urban renewal project, the Government pays its share of the net project cost by giving dollars raised from nationwide taxation to a local planning agency. Meanwhile, the community share of the project is paid either in cash collected from local taxes, by the donation of community-owned property, or by the community building or rebuilding of streets, sewer lines, and other utilities to benefit the urban renewal project. These latter items are discounted from the total to be paid by the community and are called noncash grant-in-aid credits. Another way a community can establish such credits is to build schools, parks, or playgrounds which will be essential to carrying out the project. The Comptroller General makes the point here that the Urban Renewal Agency has, in far too many cases, allowed communities to deduct from their share of project costs such items as roads and schools which have nothing to do with urban renewal projects. In this manner the Urban Renewal Agency skillfully creates a situation whereby the local communities can skip out of their share of urban renewal costs while other taxpayers across the Nation have to shoulder the entire burden.

Second. Also, on page 103 of this report the Comptroller General stated, and I quote:

Regulations [are needed] for use in evaluating the adequacy of relocation programs submitted by local planning authorities.

The Comptroller General relates that this recommendation had been made in June 1961; but it was not until February 1963 that the Urban Renewal Agency decided to set up guidelines for this section of the program. They may crow about this improvement, Mr. Speaker, but I wonder why they waited so long to draw up simple rules of conduct. How many Americans did they hurt by failing to act promptly? The number runs well into the tens of thousands.

Third. On page 103 of the Comptroller General's same report he stated, and I quote, that there is a "need for effective review of claims for noncash grant-in-aid credits." The GAO seeks such a policy for a very obvious reason, Mr. Speaker. The GAO seeks the establishment of these reviews to prevent the unnecessary and wasteful spending of tax dollars. But the report also shows that our Mr. William Slayton, Commissioner of the Urban Renewal Agency, and again I quote, "did not consider it necessary."

Fourth. On page 104 of the GAO report, the Comptroller General stated there is, and I quote:

A need for procedures to preclude the improvement of properties in areas designated for slum clearance.

This point was made because the GAO discovered that in one project area the cost of acquiring the land had increased because, and I quote from the report:

Extensive alterations had been made to the properties after the area had been designated as a slum clearance and urban renewal area. Since the cost of acquiring project land is included in project costs, of which the Federal Government generally bears two-thirds, any increases in land prices attributable to such alterations would be largely borne by the Federal Government.

Fifth. On page 105 of the same report, the Comptroller General stated there is, and I quote:

A need to establish clearly defined policies, responsibilities, and criteria governing the eligibility of areas for large-scale demolition.

According to the Comptroller General:

A city might, with URA approval, designate any of its buildings as "substandard" and schedule such buildings for demolition even though far less costly methods of renewal might accomplish the objectives of the urban renewal legislation.

I will explore this point more fully later on.

Mr. Speaker, I contend that these findings and recommendations by the Comptroller General, the man who guards against wasteful spending of the taxpayers' dollars, are charges of a most serious nature. These are not wild-eyed statements, but careful, sober, thoughtful evaluations of facts. They should be enough to make a responsible Federal agency hasten to reevaluate its plans and procedures. But that has not happened. Instead, the Commissioner of Urban Renewal, William L. Slayton, has, as the Comptroller General stated, refused to act on these recommendations; he has opposed making changes that would improve the workings of the urban renewal program; he refuses to save tax dollars that are being spent recklessly and needlessly; he persists in extending his personal empire, consisting of a program that hurts the needy and helps the greedy.

Mr. Speaker, it is beyond my understanding how Mr. Slayton can expect to get away with such high-handed tactics. The Washington Star of Sunday, May 3, 1964, reports President Johnson as saying:

Honest mistakes can be forgiven, but it is hard to forgive failures to examine and tighten agency procedures to guard against recurrence of an error uncovered by the GAO and congressional committees.

Despite this statement by the President of the United States, the Commissioner of Urban Renewal, William L. Slayton, is continuing to act as though the GAO had never uncovered any errors in the urban renewal program. He refuses to correct the deficiencies uncovered by the GAO. He pretends the subcommittee of which I am chairman had not found urban renewal officials guilty of what would be "conspiracy and collusion," even though we called him in and outlined to him and his staff in detail what we had uncovered.

Furthermore, Mr. Speaker, this Commissioner of Urban Renewal claims my article in the Reader's Digest made "misleading and incorrect statements"; he contends that all is well in the field of Federal urban renewal.

Mr. Speaker, official documents and congressional hearings show Mr. Slayton to be wrong. There is a scandalous amount wrong with Federal urban renewal in this land. I have here before me a 5-pound stack of reports by the General Accounting Office pertaining to poorly run urban renewal programs. I want you to briefly review them with me in chronological order. Bear in mind all of these are reports to the Congress of the United States by the Comptroller General of the United States.

First, I hold here in my hand the report dated May 1959 entitled "Audit of District of Columbia Redevelopment Land Agency, Fiscal Years 1957 and 1958," in which the General Accounting Office found major faults in the urban renewal program being conducted in the shadow of the Capitol.

Second, I have here the report dated July 1960 entitled "Review of Slum Clearance and Urban Renewal Activities of the San Francisco Regional Office," in which the General Accounting Office was highly critical of conditions in San Francisco and found that the urban renewal program in that city suffered from grievous problems.

Third, I hold here the report dated October 1960 entitled "Report on Examination of Selected Slum Clearance and Urban Renewal Activities of the Redevelopment Authority of the City of Harrisburg, Pa." in which the GAO audited the urban renewal program for that city. In the city of Harrisburg, Pa., the GAO found that Federal tax dollars were granted in the form of a noncash grant-in-aid credit for a school which, and I quote:

The need for which has not been determined; (2) (in which there were) deficiences

in the acquisition of the commercial property; (3) deficiencies concerning rental incomes from acquired properties; and (4) deficiences relating to payments for services performed under contracts.

The next and fourth report that I hold in my hand is dated June 1961, in which the GAO audited the "Slum Clearance and Urban Renewal Activities of the Atlanta Regional Office." Here the GAO estimated that upon completion of a $10,600,000 housing project in Chattanooga, Tenn., and I quote:

Over 60 percent of all nonwhite project families will have been relocated into substandard housing.

And here, fifth, is the report dated March 1962 entitled "Review of Policies and Procedures for Controlling and Sharing the Costs of Slum Clearance and Urban Renewal Projects, Urban Renewal Administration." In this report the GAO discloses serious nationwide deficiencies in the urban renewal program whereby, and I quote:

The Federal Government may not be reimbursed for the ineligible costs paid with funds made available for the slum clearance and urban renewal program.

The Comptroller General of the United States felt, in this report, that this matter was serious enough to bring to the attention of the Congress for, as he put it, and I quote him:

Of about 600 projects in the advance planning stage or in execution at June 30, 1961, only 57 have been completed. We are reporting on the problem at this time so that the needs of the Federal Government can be considered before most of the projects are completed.

No. 6, which I now have before me, is the report dated April 1962 entitled "Review of Selected Slum Clearance and Urban Renewal Activities Under the Administration of the Philadelphia Regional Office," disclosing that Federal credits granted by this office for urban renewal were excessive and unnecessary.

Seventh, I hold the report dated June 1962 entitled "Review of Noncash Grant-in-Aid Credits Allowed for Publicly Owned Parking Facilities," in which the General Accounting Office notified Congress that it might wish to consider, and I quote:

Enacting legislation which would amend the Housing Act of 1949 to exclude from noncash grants-in-aid all publicly owned facilities to the extent that the capital costs of such facilities are contemplated to be recovered out of revenues derived from their operation.

The GAO revealed the necessity for this in that through loosely controlled and uncontrolled urban renewal practices, grants of Federal taxpayers' money were being made for facilities which were designed to pay for themselves.

Eighth, I have the GAO report dated October 1962 in which the Comptroller General reported on "Selected Slum Clearance and Urban Renewal Activities under the Administration of the New York Regional Office." As in the other regions, GAO investigations revealed that urban renewal was squandering millions of taxpayer dollars in excessive noncash grants-in-aid credits. The Comptroller General's letter of transmittal to the Congress states, and I quote:

The report points out that the Urban Renewal Administration tentatively allowed noncash grant-in-aid credits amounting to $4,733,800 for five schools which have been or are to be provided in connection with slum clearance and urban renewal projects in New York City and New Haven, Conn. Four of the schools do not appear to be eligible for any grant-in-aid credits because on the basis of information available the urban renewal areas involved are not expected to receive the required minimum of 10-percent benefit from the schools. The amount of grant-in-aid credit for the fifth school was excessive. We are recommending that the grant-in-aid credits for the five schools can be reduced by the amount of $4,246,246.

Furthermore, the Comptroller General said, and I quote:

The report also discusses (1) [excessive] grant-in-aid credits for paving and widening four New York City streets, (2) the need for effective verification of data submitted by local public agencies in support of claims for grant-in-aid credits, prior to approval of the Urban Renewal Administration of such credits, and (3) increased land acquisition costs in New York City because the city permitted extensive alterations to be made to properties located in a previously designated urban renewal area, pending their acquisition and demolition.

Ninth, I now hold in my hand a report dated December 1962 entitled "Review of Selected Phases of Workable Programs for Community Improvement under the Administration of the Fort Worth Regional Office," in which the Comptroller General reported on urban renewal deficiencies in Forth Worth, Tex. There the local agency was found to have accepted, and I quote:

An ineffective housing code as being satisfactory [which] permitted the execution of a $21 million loan and grant contract with the community, and (2) the agency executed the contract with another community without reevaluating the community's progress in correcting its seriously deficient workable program.

Tenth is the June 1963 report concerning the Erieview urban renewal project which I will discuss in more detail in a few minutes.

Eleventh is the GAO report dated October 1963 concerning the "Improper Inclusion of Melan Bridge Costs in the Cost of Keyway Slum Clearance and Urban Renewal Project, Topeka, Kans., by Urban Renewal Administration." This reveals that the cost of building a new bridge across the Kansas River was improperly included in that city's urban renewal project. This meant that the Urban Renewal Administration granted the city of Topeka an improper and unearned noncash grant-in-aid credit of $1,080,000—an unbelievable waste of the taxpayers' money.

Now, Mr. Speaker, only last month the GAO released a new report that again criticizes urban renewal practices, this time in Cincinnati, Ohio. So, for No. 12, I hold in my hand the report dated May 18, 1964, and I quote from the Comptroller General's letter of transmittal to the Congress of the United States which advises that the GAO investigation "disclosed certain weaknesses in the administration of the requirement for the workable program for community improvement for the city of Cincinnati, Ohio, by the Housing and Home Finance Agency."

Mr. Speaker, in spite of the safeguards placed in the Housing Act of 1949, the Urban Renewal Administrator refuses to follow the intent of the Congress. There is almost a total disregard of the law concerning workable programs.

Let me explain briefly the workable program concept of urban renewal, which is vitally important. The original urban redevelopment program dealt with slum removal. Then came the Housing Act of 1954 which broadened the program to provide Federal assistance for urban renewal and covered not only slum clearance and urban redevelopment but also the rehabilitation and conservation of blighted and deteriorating areas. Thus, the Congress established the concept that the problem of slums could not be controlled solely by tearing them down. Instead, the problem would have to be attacked by the communities themselves, and financial assistance should be extended only to those communities willing to utilize their own public and private resources to eliminate and prevent slums and blight. Following this, Congress next amended section 101 of the Housing Act of 1949 to require that a community must develop a comprehensive workable program for local improvement before becoming eligible for Federal financial assistance under the slum clearance and urban renewal program.

Mr. Speaker, despite the enactment of such laws, the czars of urban renewal sneer at Congress. Look at the proof compiled by the GAO as to what is happening in Cincinnati. Let me quote from this report which I hold in my hand:

HHFA repeatedly recertified the workable program of the city of Cincinnati, Ohio, and executed two slum clearance and urban renewal contracts providing for loans of about $40 million and grants of about $25.6 million to the city although the city did not make reasonable progress in correcting certain basic housing code deficiencies, the correction of which HHFA considered essential. Further, the loan and grant contracts were executed at times when HHFA had withheld recertification of the workable program. The recertifications of the workable program and the propriety of the execution of the loan and grant contracts under such circumstances is questionable in that urban renewal funds were made available at times when the community had not provided the means for effectively dealing with the whole problem of urban slums and blight.

In brief, Mr. Speaker, urban renewal funds have been poured into Cincinnati despite the GAO's reporting that the city will not require, until 1967, and I quote, that:

All existing dwelling units must have a bathtub or shower equipped with hot and cold running water.

The same situation that existed 10 years ago. But the real significance of the GAO report is found in this statement, and again I quote:

We recognize that, as a practical matter, a city cannot immediately include in its housing code all desirable standards and that a

transitional period is necessary. However, the fact remains that HHFA (1) on two occasions refused to recertify the city's workable program because of the city's failure to correct basic housing code deficiencies. We believe that HHFA should withhold recertification of workable programs and urban renewal funds from communities that do not make reasonable progress, over a period of time, toward providing essential minimum workable program requirements. Further, we believe that withholding recertification is not really effective unless financial assistance is also withheld.

In our report to the Congress on the review of selected phases of workable programs for community improvement under the administration of the Fort Worth regional office, HHFA (B–118754, December 17, 1962), we pointed out that the Administrator, HHFA, repeatedly recertified workable programs of cities which showed no appreciable progress toward correcting serious workable program deficiencies. We suggested that (1) the Administrator require more meaningful evaluations of all elements of the workable program and stress that these evaluations should be concerned with reasonable progress by communities in meeting workable program goals and (2) if such progress is not made, workable program recertification be withheld. The Administrator informed us that his agency endorsed the suggestions and was employing, and would in the future pursue, every means for carrying them out.

In commenting on our findings relating to the administration of the requirement for Cincinnati's workable program, the administrator informed us that he reendorsed the suggestions.

The Administrator informed us also that it had been HHFA's policy, prior to December 1961, to consider that the workable program requirement of section 101(c) of the act had been met for any project for which a workable program was in effect at the time a planning advance contract was executed. He informed us also that the agency revised its procedures, in December 1961, to preclude the execution of a loan and grant contract for an urban renewal project unless the locality had a certification or subsequent recertification of its workable program in current effect. In addition, the criteria established by the Administrator for use by his staff in evaluating workable programs have been strengthened measurably since the completion of our field work. The revised criteria provide that, before a community's initial workable program can be approved, the community must establish a target date for the adoption of nationally recognized model codes or codes that provide technical and administrative standards comparable to those in the model codes. The target dates for adoption must be during the first year after the original workable program certification. The revised criteria provide also that, before the workable program can be recertified, the community must have adopted all the codes for which target dates were set under the original submission.

We believe that proper implementation of the revised policy and criteria will aid in achieving the objectives of the urban renewal program.

Mr. Speaker, the record speaks for itself. The HHFA claimed it was correcting the scandal of workable programs as revealed by the 1962 GAO investigation of the Fort Worth regional office of the HHFA. Yet 2 years later the same old stink drifts through the HHFA as a result of the GAO's exposure of the agency's wasteful handling of a similar program in Cincinnati. I doubt that the situation will improve in future years. The only reform we will ever get in the HHFA is by holding a full-scale nationwide congressional investigation.

Now, Mr. Speaker, only a few days ago the General Accounting Office released yet another report criticizing urban renewal. I hold in my hand the GAO report dated June 12, 1964, and entitled "Inadequate Relocation Assistance to Families Displaced by Certain Urban Renewal Projects in Kansas and Missouri Administered by the Fort Worth Regional Office." In brief, Mr. Speaker, urban renewal officers are charged and shown guilty of moving people into slums, of creating slum conditions, of violating the intent of Congress.

Let me quote from portions of this report. In relating the background of this issue, the GAO says:

In most urban renewal projects, a problem arises with regard to families displaced from the urban renewal areas. These families are often from low-income minority groups with limited means of acquiring adequate housing in other areas. Even though the LPA (local planning agency) makes relocation payments (from funds provided by the Federal Government) to cover the costs of moving, the requirement to move often places a financial burden on these families. When there is insufficient standard housing for displaced families, such families tend to move into, and further congest, existing slums or deteriorating areas. Inadequate housing resources or improper relocation plans could result in shifting slum conditions from one area of a city to another.

The Congress recognized this problem, and one objective of enacting section 105 of title I of the Housing Act of 1949 was to provide that families displaced by urban renewal activities be rehoused in decent, safe, and sanitary housing, with a minimum amount of hardship. Section 105(c) of the act provides that contracts for loans or capital grants require that:

"There be a feasible method for the temporary relocation of families displaced from the urban renewal area, and that there are or are being provided, in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the urban renewal area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment."

In Report No. 1, transmitted to the House Committee on Banking and Currency on January 31, 1956, the Subcommittee on Housing made the following comments on the relocation of displaced families:

"The subcommittee is concerned that adequate safeguards are being taken to see that such families are transferred, as painlessly as possible, to alternative decent housing which they can afford. The subcommittee urges that the Federal authorities charged with overseeing relocation responsibilities exercise increased vigilance to make sure that the municipalities are in fact doing an effective and humane job in this area. Every effort should be made to insure a workable relocation plan with adequate personnel to supervise the working out of the program. If displaced families are merely shunted to another slum area or an area which is on the verge of becoming a slum, the problem is only aggravated further."

Although the law itself does not specifically direct the LPA to relocate families, it indirectly imposes this obligation on the LPA. Accordingly, the URA relocation requirements, which are intended to carry out the declared purpose of title I of the Housing Act of 1949, as amended, provide for the acceptance of such an obligation by the LPA.

Prior to the execution of a loan and grant contract, the LPA must submit a relocation plan to the HHFA regional office. This plan sets forth the policies and procedures which will be followed in carrying out the relocation phase of the project. The plan, as finally approved by the URA, constitutes the official criteria to which the LPA must adhere and is incorporated, by reference, in the executed loan and grant contract.

Mr. Speaker, there can be no questioning the responsibility urban renewal officials must shoulder in helping poor people find new homes when they have been dispossessed. But look at what the GAO found. Urban renewal could not have cared less about helping people. Once again the agency was shown to have no heart. Let me quote from the GAO report:

In our review of the relocation of families displaced from selected urban renewal projects administered by the Fort Worth regional office, HHFA, we noted that a significant number of the families displaced in St. Louis, Mo., and Kansas City, Kans., were relocated into substandard housing and that a substantial number of the families displaced in these cities and in Columbia, Mo., were not afforded relocation assistance. We believe that the regional office's supervision and review of relocation activities of LPA's were not adequate to fulfill the intent of title I of the Housing Act of 1949, as amended, which was that displaced families be afforded an opportunity to relocate into decent, safe, and sanitary housing.

In many instances, the families who relocated into substandard housing were actually relocated into substandard housing by the LPA's, were offered only other substandard housing by the LPA's, or were not offered relocation assistance by the LPA's. Many of the families who were relocated into substandard housing were reported by the LPA's as having been relocated into standard housing. We believe that there were inadequate review and supervision of the LPA's relocation activities by the Fort Worth HHFA regional office.

The LPA reports of relocation progress of the Mill Creek Valley and Kosciusko projects in St. Louis, Mo., as of June 30, 1961, that 553 families from the two projects had relocated into substandard housing.

We inspected 35 dwelling units selected at random from units reported as standard by the LPA and into which families displaced from the Mill Creek Valley project were relocated. On the basis of the standards set forth in the LPA's relocation plan, we concluded that 21 of these dwelling units were substandard. The deficiencies we noted included such things as inoperative plumbing, no running water, no heating facilities, doors falling off hinges, infestation with vermin, and leaks in roofs and walls. The head of the LPA's relocation section revisited seven of the dwelling with us and agreed that these units were substandard. He informed us that visits to other units were not necessary and that he accepted our conclusion that the other 14 units we had inspected were substandard.

We inspected 31 dwelling units selected at random from units into which families displaced from the Kosciusko project were relocated. Twenty-eight of these units had been reported as standard by the LPA, and the other three had been reported as standard by the HHFA Fort Worth regional office site representative. The site representative had reported also as standard 4 of 28 units reported as standard by the LPA. On

the basis of the housing standards set forth in the LPA's relocation plan, we concluded that 30 of the dwelling units were substandard. The head of the LPA's relocation section revisited 11 of the dwelling units with us and agreed that these units were substandard. He informed us that visits to other units were not necessary and that he accepted our conclusion that 19 of the other 20 units we had inspected were substandard. The regional office site representative stated that his inspections consisted of visual observations from his automobile as he drove by the properties and that, in classifying the dwelling units as standard, he relied on the statements of the LPA personnel.

Some of the families who had been relocated into the substandard dwellings were so relocated by the LPA. Many of the other families either were offered only substandard housing by the LPA or were offered no relocation assistance by the LPA. The LPA assisted families displaced from the Kosciusko project in finding relocation housing by offering them addresses (referral lists) prepared from newspaper advertisements. Accompanied by an LPA relocation official, we inspected 16 of the 33 dwelling units listed on a Kosciusko project referral list dated June 6, 1961. The relocation official acknowledged that each of the 16 dwelling units was substandard. The dwelling units had not been inspected prior to their inclusion on the referral lists, as required by the LPA's relocation plan.

Regarding the Kosciusko project, the LPA reported to the Fort Worth HHFA regional office that, of a total of 724 families taken into the LPA's relocation workload as of August 1961, 178 families had self-relocated into substandard housing. We reviewed the files of 40 families, selected at random, that had self-relocated into substandard housing and found no evidence that the LPA made any effort to relocate these families from the substandard housing they had chosen into standard housing, as required by the LPA's relocation plan.

In commenting on the matters discussed above, the executive director of the St. Louis LPA questioned the basis that we used in classifying as substandard the houses that we inspected. The standards that we used as guidelines in our inspections were those contained in the LPA's relocation plans for the Mill Creek Valley and Kosciusko projects. We did not conclude that housing was substandard solely because of minor items; our conclusions were based on a combination of deficiencies—some major and some minor. For example, the deficiencies we noted for one of the structures above included: Leaks in roof and walls; doors falling off hinges; toilet shared with congregation of church; no kitchen facilities; no bathing facilities; inoperable windows; no water; no electricity; and no heating facilities. The LPA's own inspectors, accompanied by us, classified as substandard about 35 percent of the structures which we concluded were substandard and accepted our conclusions on the remaining 65 percent of the structures.

Mr. Speaker, the significant point of this GAO report is that local urban renewal officials considered the new homes into which they were moving people to be "standard." Standard. I ask my colleagues: Do you think for 1 minute any of these Federal officials would live in conditions like this? Would not Commissioner William L. Slayton scream like a stuck pig if his home was condemned by Urban Renewal and the Government moved his family into a slum dwelling that had, as the GAO states:

Leaks in the roofs and the walls; doors falling off hinges; a toilet shared with the congregation of a church; no kitchen facilities; no bathing facilities; inoperable windows; no water; no electricity; and no heating facilities?

Why, Mr. Slayton would be the angriest man in town. He would scream that he was being pushed around by the Government. He would hire lawyers to fight his case. He would send telegram after telegram to his Congressman demanding justice. Yet, Mr. Speaker, this same Mr. Slayton accuses a Congressman of lying when he exposes this seamy side of his heartless, help-the-greedy, hurt-the-needy agency.

Let us now consider some other frightening aspects of the GAO report. It continues, and I quote from the portion dealing with the Gateway and Armourdale projects in Kansas City, Kans. Said the GAO:

We inspected 18 dwelling units selected at random from units recorded as standard by the LPA and into which families displaced from the Gateway and Armourdale Industrial Park projects were relocated. On the basis of the standards set forth in the LPA's relocation plan, we concluded that three of these units were substandard. One of these units was located in a substandard apartment building into which eight families had been relocated. The LPA classified this building on its relocation records as standard for the first six of these families, two of which were relocated into the building by the LPA, and as substandard for the other two families, one of which was relocated into the building by the LPA. LPA officials revisited this building with us and agreed that it was substandard. The LPA subsequently revised its April 30, 1961, report of relocation progress for the Gateway project to show that 50 displaced families rather than 10 as originally reported, were living in substandard housing.

Although the LPA's relocation plans for the Gateway and Armourdale Industrial Park projects require that inspections be made of dwellings into which displaced families are relocated, LPA officials informed us that in many instances the only inspections of relocation housing by the relocation staff consisted of visual external inspections, made while the inspectors drove past the properties.

In instances where the LPA relocation staff inspectors classified dwellings as substandard, they did not report to the city's minimum housing code office, for corrective action, violations of the city's housing code. An LPA official told us that housing code violations were not reported to the city's minimum housing code office because LPA officials believed that (1) such action would adversely affect the availability of housing resources and (2) the relocation staff was not qualified to determine whether the housing met the city's minimum housing code requirements.

Furthermore, the GAO went on to say:

Our review disclosed that more than 3,300 of the nearly 7,000 families that the LPA's estimated were living in the Mill Creek Valley and Kosciusko projects in St. Louis, Mo.; the Douglass School project in Columbia, Mo.; and the Gateway project in Kansas City, Kans., were omitted from the LPA's relocation workloads and that they were thus never afforded relocation assistance. Some of the families may not have accepted LPA assistance, and some of the movement from the area may have been normal turnover. The whereabouts of most of the 3,300 families is unknown, and their absence was not shown on the LPA's relocation progress reports. Probably a significant number of these families moved into substandard housing, as did a significant number of self-relocated families whose housing conditions were a matter of record.

We believe that the URA regulations are inadequate in that they do not require the LPA's to advise families residing in areas selected for urban renewal projects of the relocation assistance that will become available to them until after the execution of a loan and grant contract. We believe also that URA should have required the LPA's to obtain more reliable information regarding relocation requirements and resources prior to the execution of a loan and grant contract. If reliable information on housing needs and resources is not obtained prior to the effective date of the contract for a loan and grant, significant relocation problems, such as a lack of available standard housing, may not be recognized in time to meet the needs of all the displaced families. Generally, by the time a contract has been executed, the residents of the area selected for the project have been aware for many months that they probably will be required to relocate. Consequently, may of these families, in anticipation of acquisition of the property by the LPA, move into other housing without having been advised of the relocation assistance that would ultimately become available to them. Of the self-relocated families whose housing conditions were a matter of record at the St. Louis, Mo., and Kansas City, Kans., LPA's, a significant number relocated into substandard housing. The relocation of a significant number of displaced families into substandard housing—the shifting of slums—negates much of the benefit of the project and is contrary to the clearly expressed intent of the Congress that the problems of slums and blight be attacked on a communitywide basis.

Mr. Speaker, the GAO then reports on a letter from the urban renewal commissioner outlining alleged improvements in the program. Says the GAO:

We believe that the proper implementation of these procedures should result in a significant improvement in the quality of relocation activities administered by HHFA.

I am afraid, Mr. Speaker, that the GAO's note of optimism for improved relocation activities is nothing more than an empty wish. Why? you might ask. Here's why. The GAO report on St. Louis and Kansas City merely duplicates the first GAO report I held in my hand, and which dealt with urban renewal problems in Washington, D.C., for 1957 and 1958. To refresh my colleagues' memories, let me say that 7 years ago, here in the Nation's Capital, the GAO discovered that urban renewal was forcing people to relocate in slum buildings. The Washington study showed that the District of Columbia's local planning agency claimed to have relocated families in "standard" buildings. Yet GAO investigators found these buildings did not exist; the address on LPA record cards were false. Furthermore, official descriptions of the new slum homes into which people had been moved were false, urban renewal officials had not examined the slum dwellings into which they were forcing poor people to move.

Mr. Speaker, here is a problem the GAO revealed as existing 7 years ago. As of today, little has been done to correct it. Human beings are still treated like cattle, and urban renewal officials do not appear to care. I ask my colleagues, is this the way urban renewal should be run?

Mr. Speaker, I contend that these GAO reports reveal a nationwide scandal in the urban renewal program, and this is borne out and supported by the report of the auditor of the Commonwealth of Massachusetts, to which I have already referred, and to which I will make further reference in a bit. My beliefs are also borne out by news stories in the Nation's most influential newspapers. For example, on January 9, 1962, the Wall Street Journal headlined a story saying, and I quote:

Many Firms Evicted by Federal Projects Face Relocation Woes.

Almost exactly 2 years later, on January 28, 1964, the Wall Street Journal carried another story headlined, and I quote:

Urban Renewal Ills—Redevelopment Efforts Snarled by Redtape, Many Other Problems.

Let me quote further from this Wall Street Journal article which said:

President Johnson's call yesterday for new Federal housing programs comes at a time when the existing slum clearance program is largely bogged down.

City planners in New York in 1956 conjured up a new vision of Manhattan's teeming West Side slums. It included some 7,800 new apartments and skyscraper buildings, landscaped plazas and tree-shaded streets.

Today, nearly 8 years later, a visitor strolling through the West Side urban renewal project sees shabby tenement houses, deserted and boarded. Bright-colored posters for Broadway shows are splashed over vacant shop doors. And only two new apartment buildings to house 400 families are being built. Construction has not begun yet on 7,400 other new apartments the urban renewal people promised for a 20-block area between 87th and 97th streets.

New York is only one of many cities with real estate lying idle due to nagging delays in completing federally subsidized urban renewal projects. Redtape, politics, inexperience and construction financing difficulties are a few of the factors bogging down projects.

The Wall Street Journal went on to say, and I quote:

Of the 22,000 acres purchased by cities (across the Nation) since the program began in 1949, only 6,800 have been resold to developers. Among the remainder, 6,000 acres have not been cleared yet of old buildings; another 3,300 have been cleared, but no redevelopers have been found; and 5,900 acres are cleared and appear close to being sold to redevelopers.

The delays plaguing developers already have caused difficulties. When a developer in 1958 bought land to build a 33-story Hopkinson House apartment building, an urban renewal project in Philadelphia's rundown Society Hill section, prospects were that demand for the apartments would be strong. By December 1962 when the building was ready for occupancy, other apartment houses in the same area had been built and there was an oversupply. Delays in fixing up the neighborhood around the new building also may have discouraged prospective tenants. Hopkinson House is now about 66 percent filled, well under the 85 percent it needs to break even.

Consider, Mr. Speaker, the article in the New York Times of January 12, 1964, headlined, and I quote: "Speedup Urged in Renewal on Long Island."

The Times reported that 110 families were, and I quote, "still living in the 36-acre area uncertain of the future, crowded in temporary accommodations," and "neglected and rejected."

Or take the story in the Washington Star of February 17, 1964, which carried the headline, and I quote, "Federal Housing Action Flounders, Bankers Are Told." And in a nationwide wrap-up of urban renewal, the New York Times in April 1964 reported that there were, and I quote; "delays in Buffalo," "disputes in Cleveland," "St. Louis: mixed results," and "issue in San Francisco." Within hours the New York Herald Tribune reported that Stamford, Conn., was having urban renewal problems. The Herald Tribune unveiled the fact that a suit was being brought against the Stamford city administration on the grounds that the city's $86 million urban renewal project was not benefiting slum dwellers and small merchants.

Consider, Mr. Speaker, the great public service performed by the Nevada State Journal when on May 6, 1962, it printed the entire 90-odd-page decision of the Honorable Clel Georgetta of the Second Judicial District Court of the State of Nevada, which declared that urban renewal in Reno, Nev., was illegal. Judge Georgetta's remarks make interesting reading. They show the depths to which some forms of urban renewal plans have sunk. Let me quote some excerpts that I know will interest my colleagues in the House:

First, the court will discuss the evidence presented by the plaintiff—the Urban Renewal Agency.

For the sake of clarity, the first to be considered is plaintiff's exhibit G dated March 15, 1957. This is a large clothbound looseleaf binder containing 30 different tabbed sections. Much of the bulk of the book is composed of such documents as the Reno city zoning ordinances, land use plan of the entire city and a large part of the printed Reno city ordinances. The fact that 23 percent (of the structures included in the exhibit) were classed as "substandard" does not mean much when it is observed that the Urban Renewal Agency put in that classification every house that failed to meet all the requirements of the presently existing building code. On this basis, even if every house in the area were "substandard," that would not necessarily denote any slum or blight condition. A few examples will illustrate the correctness of this statement.

A house built some years ago could have a door leading from the kitchen to the basement stairs without having a platform at the head of the stairs. When these houses were examined in 1957, any such house would be classed as "substandard." Would that mean that such a house is "dilapidated" or "deteriorated" so that the presence of a number of such houses would "blight" the area? This house might be of far better construction than many of the new "flattops" built to code.

Only a few years ago, nearly all houses were constructed with knob and tube electrical wiring. The 1956 Reno building code provides every new house constructed must have romex wiring. Therefore, when a house built in 1955 with knob and tube wiring was examined in 1957, the inspector would classify it as substandard (not up to code), despite the fact some architects say it is superior to the romex now being used. The knob and tube wiring would be no evidence whatever of a "slum" or "blight" condition.

Furthermore, the Court observes that this exhibit G was not prepared by a disinterested party. A man who carried the title of director of urban renewal gathered the information. He may have been the soul of integrity and a very honest and conservative man, but the evidence establishes that he was hired and put to work on this task by Mr. Smith, the planning commissioner who first suggested to the city council that they may be able to get hold of millions of dollars of Federal money if they could find some part of Reno that would qualify for an urban renewal project. (Minutes of city council meeting November 26, 1956—item 1 of facts above stated.) The man who carried the title of director of urban renewal was sent out to find, if he could, enough evidence of "slum" and/or "blight" to set up an urban renewal project. Regardless of his sterling character, when he looked at those 200 houses he classed as "poor," they would not look the same to him as to one of the defendants in this case, or even to some completely disinterested party.

The effect of the urban renewal project is to hasten this transition (of the neighborhood) and accomplish it artificially in 1 or 2 years by first taking the people's property for what an appraiser says it is worth as an "old residence," demolish the homes and then turn the area over to a private party to "redevelop" it by selling sites for commercial and industrial uses. In other words, take it away from the people who own it and give it to someone else to make the profit the people are entitled to have as their land goes up in value.

Mr. Speaker, I contend that pounds of documentary evidence such as this is worthy of public exposure. I further believe that the Reader's Digest performed a great and valuable journalistic service in showing the people of America how their tax dollars are all too often squandered and misspent by the urban renewal program and its planners. Yet when these facts are published, Commissioner William L. Slayton refuses, as he did with GAO and congressional investigations, to acknowledge their existence. Worse, when a Member of Congress exposes such issues before the public through a great magazine like the Reader's Digest, as I did, he and the magazine are smeared and called liars by Commissioner Slayton because he is afraid that when the people know the truth, the program he has mishandled and his job may be in jeopardy.

Mr. Speaker, this evidence completely refutes and destroys Mr. Slayton's self-serving contention that all is well with the urban renewal program.

I would next like to examine Mr. Slayton's self-serving rebuttal to my statements in the Reader's Digest concerning urban renewal in Boston. I said in the Reader's Digest that "Boston, for instance, now has 19 urban renewal projects involving $227,960,000."

Mr. Slayton replied, saying:

The Digest figures are inaccurate. The 19 urban renewal projects in Boston involve a total of $120,710,664 in Federal capital grants.

Mr. Speaker, the source for my information was the official audit report prepared by the Honorable Thomas J. Buckley, State auditor for the Commonwealth of Massachusetts, issued under date of August 16, 1963, and titled "Report on the Examination of the Accounts of the

Boston Redevelopment Authority from October 4, 1957, to February 25, 1963."

As an aside, I feel that Mr. Buckley's honesty and integrity need no defense, but since Mr. Slayton has alleged that the figures used in his audit report are false, I would like for you to know that it is my information that Mr. Buckley is an honorable man, well respected by the people of Massachusetts; as State auditor, he is an elected official and does his job so ably and is so well thought of by the people that in the last election he polled the largest vote in Massachusetts—running 250,000 votes ahead of our late lamented President.

I tell you this so you may judge for yourself whether to believe the impartial Mr. Buckley or the self-serving Mr. Slayton. These facts I am about to relate require a decision as to which of them deserves to receive faith and confidence and which does not.

Now let us have a look at Mr. Buckley's audit report. On page 28 of this report there is a chart showing net project costs of urban renewal projects in the Boston area, and you will find there the total figure, $227,960,000, which is the source for the figure I used in the Reader's Digest article.

Mr. Speaker, I have no idea where Mr. Slayton got his figure of $120,710,664, and I doubt that Mr. Slayton knows either.

The record will justify such statement. As I said, Mr. Buckley's report covered the Boston urban renewal program from October 4, 1957, to February 25, 1963, and was issued on August 16, 1963. It so happens that only 47 days earlier Mr. Slayton's office issued its regular report on "'Urban Renewal Project Characteristics" dated June 30, 1963, which was supposed to cover all projects up to that date.

A comparison of these two reports is revealing. Mr. Slayton's report shows only four projects for Boston, while the State auditor's report shows 19 projects. The net project costs of the four projects listed in Mr. Slayton's report are essentially identical to the net project cost for the same projects shown in the State auditor's report. This indicates that the State auditor's figures are accurate and in harmony with Mr. Slayton's figures, except Mr. Slayton omits reference to 15 projects that are revealed in the State auditor's report.

Thus it should be obvious that in the short period between the issuance of the study by the State auditor for the Commonwealth of Massachusetts and the issuance of the Slayton report, 15 new projects involving $100 million are not going to suddenly appear as approved for Federal funds. In fact, such an explanation would be impossible because the auditor for the Commonwealth of Massachusetts finished his study in February 1963, and reported the projects as being in existence at that time. Is it not more than passing strange that on June 30, 1963, Mr. Slayton would report only 4 of the 19 projects in existence—and is it not reasonable to assume that had he reported all 19 of them, his figures would then undoubtedly have verified the total figure, as revealed by Mr. Buckley, the State auditor of the Commonwealth of Massachusetts?

I would certainly like to see Mr. Slayton given an opportunity to prove his statement to the Congress because to show that the figure I used in the Reader's Digest article is false, he must first show that the State auditor for the Commonwealth of Massachusetts made a false audit to the people who elected him to office. You see, Mr. Slayton is in the position of contending that the State auditor, Mr. Buckley, is guilty of "misleading and incorrect statements," not only in this one respect but in others as well, as I will demostrate in a moment.

It is extremely difficult, Mr. Speaker, to understand how a man such as Mr. Slayton, who holds such a responsible position, as Commissioner of Urban Renewal, can be so wrong so many times while screaming at the top of his voice that everyone else—a committee of the Congress, the General Accounting Office, a Member of the House, and the State auditor for the Commonwealth of Massachusetts—is guilty of making misleading and incorrect statements.

Therefore, Mr. Speaker, I think it would be wise at this time to quote directly from the auditor's report for the Commonwealth of Massachusetts concerning the Boston Redevelopment Authority. This will allow Congress and the people to determine for themselves whether or not something is amiss. I quote from page 18 of the report in which Mr. Buckley states:

This audit disclosed the fact that certain of the financial records of the Boston Redevelopment Agency (BRA) were found to be either inadequate or nonexistent and as a result, this condition created many audit problems and required the expenditure of much time and effort to assemble data with regard to the financial transactions of the agency. Some of the difficulties encountered are fully explained in the various notes and comments contained in this report. Accountants have been assigned to a continuance of certain phases of this audit which will be reported as a part of the next annual report on an examination of the accounts of this agency.

While the BRA at the present time has 19 areas in various stages from planning to construction, only 6 of these areas have reached the stage where land acquisition and construction have been either initiated or completed.

The extreme laxity of the financial controls of the authority, in the expenditure of public funds and sale of properties for a small fraction of their actual cost in value, are clearly demonstrated by the comments of this report. Although the BRA was organized in September 1957 and took over from the Boston Housing Authority in December 1957, it is worthy of comment that the only two project areas that have reached the construction stage are those taken over from the Boston Housing Authority.

The principal result of BRA operations has been the creation of numerous parking lots on valuable land, which have been rented to private operators at a fraction of their value, and thus hardly redounds to the credit of the BRA. It is pertinent to point out that land owned by the BRA is not subject to real estate taxes, and therefore, the delay in construction in these areas has cost the city thousands of dollars in tax revenues and at the same time has provided substantial profits to the favored operators of these parking areas.

Now, Mr. Speaker, I do not know of a better source from which to quote about the misuse of Federal funds in urban renewal than this report written by the highly respected State auditor of the Commonwealth of Massachusetts. This is what I did in my article in the Reader's Digest.

But let us examine Mr. Slayton's rebuttal to my article. He notes this quotation in the Reader's Digest article from the State auditor's report concerning the rental of valuable land at a fraction of its value to private operators of parking lots and that the land is not subject to real estate taxes and that delay in construction has cost the city of Boston thousands of dollars in taxes. Then, in Mr. Slayton's reply to that, and I quote, he says:

Some of the cleared land has been used for parking—but the chief result has been a reduction—not an increase—in the number of parking spaces in the three areas where land has been cleared. The Boston Redevelopment Authority has a policy of allowing parking lot operators to continue in business until the land is actually needed for redevelopment. They are being charged either the same rental that they were paying before the authority bought the land, or, if they owned the land, a fair rental based on two independent appraisals of the property.

Now, Mr. Speaker, I do not know whether Mr. Slayton just does not know what he is talking about and is just making a fool of himself or whether he is deliberately not telling the truth. We have reached another point where I think Mr. Slayton should be afforded the opportunity, under oath, to justify his allegations. They are in total conflict with the audit prepared by the State auditor of the Commonwealth of Massachusetts, who is a disinterested party. I would like to quote further at this point from Mr. Buckley's audit report. On page 41 of the report he says:

In November of 1961, when the Boston Redevelopment Agency took over the Chardon Motor Mart, Inc., a rental charge of $2,500 per month was established, and 21 months later in July 1963 this rental charge as the result of successive reductions had reached the amount of $800 per month. and in addition during this period the BRA generously granted to the lessee a reduction of $8,900 in the amount due from him. Based on the original rent of $2,500 a month, the potential income from this one account amounted to $52,500, but as the result of reductions and the abatement mentioned herein, this amount was reduced to $25,900 and on June 30, 1963, there was a balance of $3,200 due from the tenant.

One other account is also worthy of comment. When the Bowdoin Square Garage was taken over, the rental on the property was set at $7,000 per month, and the original occupant paid this amount for a comparatively brief period. When a new lessee took over the property, he insisted that he was able to pay the prevailing rate of $7,000 a month, but it is interesting to note that when the property was turned over to him, the rent was immediately reduced to $4,375 per month. It is worthy of comment that this action was taken with such speed that the adjustment predated the date that the new lessee took over and as a result, the previous operator received $2,085.40 as a refund on the last payment based on his original $7,000 rental payment. It is also interesting to note that this new tenant at the time he vacated the premises owed the BRA $12,750.44 in back rentals, and soon

after these facts were brought to the attention of a BRA official in connection with this audit, this amount was paid in full, and it is understood that this payment was obtained by threatening the lessee with cancellation of parking permits that he held on other BRA property.

The board itself must have realized at one time that the situation, with regard to these adjustments, was getting out of hand, and as a result on November 29, 1961, the board voted that in the future all reductions in use and occupancy charges in excess of $100 a month would require the approval of the authority.

It may or may not come as a surprise to the Authority to learn that in the next 15 months, 30 adjustments were made on the approval of the real estate officers each in excess of $100 a month, and it is also worthy of comment that 40 adjustments were made in the even amount of $100 and it might be fairly concluded that these reductions were held to that amount to avoid bringing them to the attention of the board.

Now, Mr. Speaker, I challenge Mr. Slayton's self-serving rebuttal statement that lessees of these Boston parking lots have always paid the "same rental" or even a "fair rental." Obviously, the Auditor for the Commonwealth of Massachusetts did not think so. And I wonder what makes Mr. Slayton think that the Auditor of the State of Massachusetts is misleading the public and making misstatements of fact.

Mr. Speaker, the "Notes and Comment" narrative portion of the "Audit Report of the Massachusetts State Auditor," from which I have been quoting, is all highly relevant to my remarks and is, furthermore, a quite interesting narrative of apparent graft, cheating, favoritism and conflict of interest. I ask that pages 18 through 64, each inclusive, of the "Report of Massachusetts State Auditor Thomas J. Buckley on the Examination of the Accounts of the Boston Redevelopment Authority from October 4, 1957, to February 25, 1963," be included as an exhibit at the conclusion of my remarks.

Mr. Speaker, another interesting method by which Mr. Slayton, in his self-serving way, claims that I made misstatements in my Reader's Digest article was to quote me as saying:

For example: In Washington, D.C., the city's redevelopment agency paid the D.C. Transit System, of which O. Roy Chalk is president, $1,266,605 for some property, then later leased it back to his Chalk House West, Inc., for 99 years at a bargain rental of $43,221 a year.

Mr. Speaker, I charge that Mr. Slayton willfully and deceitfully lifted and doctored this paragraph from my article so as to become a bold and fraudulent misstatement of what I wrote. Let me quote from my own article in which I wrote:

For example: In Washington, D.C., according to Senator JOHN WILLIAMS, Republican, of Delaware; the city's redevelopment agency paid the D.C. Transit System, of which O. Roy Chalk is president, $1,266,605 for some property, then later leased it back to his Chalk House West, Inc., for 99 years at a bargain rental of $43,221 a year.

Mr. Speaker, in claiming that I was making incorrect statements, Mr. Slayton fraudulently ignored the fact that I was specifically reporting what the distinguished Senator from Delaware, Mr. WILLIAMS said on the floor of the Senate last July 16.

Let me quote what Senator WILLIAMS said:

Mr. President, I wonder if the Senator would comment on this particular point which has been called to my attention. It seems that in December 1958, the Redevelopment Land Agency paid the D.C. Transit System, of which Roy Chalk is president, $1,266,605 for some property. Then I understand that on July 6, 1962, the agency leased this same property back to Chalk House West, Inc., a wholly owned subsidiary of the District of Columbia Realty & Development Corp., for $43,221 per year over a 99-year period.

That $43,221 represents 6 percent or about three-fourths of what they paid for it. A 99-year lease was given.

If the redevelopment agency did not need this property since it leased it back for 99 years, why did it buy it in the first place? And if the agency didn't need the property, why did it lease it back for 99 years on such favorable terms?

So you see, Mr. Speaker, Mr. Slayton spreads his charges of making incorrect statements even farther afield. He accuses me of lying, a congressional committee of lying, the Reader's Digest of lying, the General Accounting Office and the Comptroller General of the United States of lying, the State auditor of the Commonwealth of Massachusetts of lying, and now he has also decided to take on the distinguished Senator from Delaware. I feel the Senator is fully able and competent to take care of himself, but this is just typical of the dastardly, underhanded attempts of the Commissioner of Urban Renewal, William L. Slayton, to smear anyone and everyone who criticizes or finds fault with the manner in which he has operated the urban renewal program.

Now, Mr. Speaker, let us examine another aspect of Mr. Slayton's so-called rebuttal to my article in the Reader's Digest. Consider his defense of the scandalous Columbia Plaza urban renewal project in Washington, D.C.

Mr. Slayton conveniently ignores the reasons why I exposed this mess in the Reader's Digest. Let me quote from the article. I wrote:

This deal brazenly ignored the law's requirements as to what kind of property can be taken over by urban renewal. When our subcommittee challenged the RLA to justify its actions, five men gave contradictory testimony. For example: The RLA appraiser had said the property contained 68 buildings. But a subcommittee investigator produced dated aerial photos showing that 15 percent of the buildings had already been razed on the day the RLA appraiser claimed to have examined them. Somebody obviously was not telling the truth.

Mr. Speaker, the Commissioner for Urban Renewal cannot deny the facts. He cannot deny sworn testimony before my subcommittee in which appraisers working for the local urban renewal agency swore they examined buildings when U.S. Navy photographs taken that very day showed the buildings did not exist. That, Mr. Speaker, is called perjury in a court of law. And the fact remains that the local urban renewal agency in Washington, D.C., condemned private property by brazenly ignoring the law.

Mr. Slayton also said in his rebuttal to my statements about Columbia Plaza that, and I quote:

The contractors, who had been unable to acquire all the needed land, were given an opportunity to redevelop the area. They did not choose to do so.

Mr. Speaker, this statement of Mr. Slayton's is willfully false. Let me first quote what I said in the Reader's Digest:

By January 1959 the contracting firm of Antonelli & Gould had bought more than half of a valuable 9-acre tract of downtown Washington property near the State Department, intending to develop it with private funds. Old residential and business structures were demolished; plans were drawn for a diplomatic city, combining much-needed chancery offices with residential apartment dwellings. But, meanwhile, the District of Columbia Redevelopment Land Agency (RLA) had other ideas. Working backstage with the National Capital Planning Commission, the RLA produced an agreement that the area should not be privately developed. All appeals were ignored.

Instead, the RLA had selected another group of redevelopers, the Columbia Plaza Corp. Faced with having its land condemned (by then it owned 90 percent of the area), Antonelli & Gould sold out. Then, the moment the Columbia Plaza Corp. took over in November 1961, the RLA applied for and received a $6 million Federal loan and grant—your tax dollars and mine—for the execution of what private industry had long been willing to do without Federal subsidy.

Mr. Speaker, these were the facts as heard in sworn testimony before the subcommittee of which I am chairman. My article in the Reader's Digest clearly labeled the source of these facts as having come from hearings before my subcommittee.

Mr. Speaker, in attacking my article Mr. Slayton apparently prefers to ignore the true facts as developed by my subcommittee. The proof was ample and evident that there were "backstage" operations in which urban renewal officials illegally conspired to force the rightful owners off their property. Mr. Slayton's statements that these redevelopers "did not choose to" redevelop the land themselves is as gross a falsehood as I have ever heard spoken by an official of the Federal Government. I know of no other case where a Federal official has accused a committee of Congress of lying or distorting facts, especially when these facts were revealed by sworn testimony and resulted in a summation which said that:

In any other area of contractual relationships with Government agencies, the selecting out of a "chosen instrument" with rules known only to such party, accompanied by the advice, counsel and coaching to conclude an agreement which dissipates public funds, such would be labeled "collusion and conspiracy."

Mr. Speaker, another important point of Mr. Slayton's attack on the truthfulness of my article in the Reader's Digest concerns my statement which I now quote:

The handling of Erieview project No. 1 in Cleveland touched off much of the furor and shows the proportions of the mess. When this 96-acre project was proposed, almost everybody in Cleveland found it appealing.

The project would, it was argued, provide an immense number of jobs, eradicate slums, diminish crime, straighten out traffic, renew Cleveland's famous old Euclid Avenue business section, and add new buildings and enterprises to the tax rolls—mostly at the expense of the American taxpayer.

By law, the HHFA in Washington would pay planning costs. After the old buildings had been bought up and razed, after the land had been regraded and new services installed, Cleveland could sell or lease the cleared tract to a private redeveloper of its own choice. Such a sale would inevitably be at far less than the cost of buying and clearing the condemned area—but the HHFA would absorb the lion's share of the resulting loss. It would even pay for locating displaced families. With an offer like that—a standing offer to any city under the urban renewal law—how could Cleveland lose?

There was, however, one hitch. Urban renewal regulations state that Federal aid in demolition jobs can be given only to areas containing structures not worth saving. Most of the 118 buildings in the Erieview area had been judged sound by Cleveland housing inspectors. Some were new. So how could the project be made eligible for $33 million in Federal aid? Cleveland officials hoped they had an answer. According to testimony before the House District of Columbia Subcommittee of which I am chairman, they arbitrarily reclassified 84 of the 118 buildings as "substandard"—including 3 valued at $900,000, $840,000, and $660,000.

Then in the autumn of 1960, a party of Government employees from the regional Urban Renewal Agency office in Chicago briefly toured the Erieview project site. According to a later report by Congress official watchdog, the General Accounting Office, they did not look inside any of the buildings, but when they left they had endorsed the city's reclassification and thereby sealed the doom of 105 buildings worth $26 million.

Property owners were stunned. How could buildings previously certified as sound suddenly be branded hazardous? For example, as the GAO report shows, Cleveland housing inspectors had found only minor violations of the city code in an eight-story masonry building valued at $660,000—principally, certain doors lacked self-closing devices and the cellar needed to be cleaned up. But at once, before the owner could act, the property was classified "substandard" and scheduled for acquisition and demolition. A sound 12-year-old 1-story brick and block building valued at $80,000 and having only a few minor violations (for example, "the pointing of the chimney and the venting of the toilets") met the same fate. Many such rulings were made.

Mr. Speaker, William Slayton, Commissioner of Urban Renewal, challenges these statements I made in the Reader's Digest. He challenges them despite the fact that I said clearly in my article in the Reader's Digest that this information came from sworn testimony before the House District of Columbia Subcommittee No. 4 of which I am chairman and from a report by the General Accounting Office. He further says, and I quote from his rebuttal:

Officials of the regional office made three trips to Cleveland in connection with the project during which, among other things, they made sample inspections inside the buildings.

Mr. Speaker, I challenge Mr. Slayton to testify under oath and prove his statements. I challenge him to come out of his ivory tower in which he sits smearing anybody and everything that is critical of him. For the truth of the matter is, Mr. Speaker, that the Urban Renewal Administration is guilty in the Erieview project No. 1 of throwing away millions of dollars—collected from taxpayers like you and me—in an arbitrary and capricious manner. The Erieview project No. 1 was listed by the Urban Renewal Administration on June 30, 1963, for loans and grants in the amount of more than $36 million. The net project costs are shown as being $15,400,000. The GAO study, however, reported that the amount of the loan and grants was $43 million.

I quote now from page 25 of the GAO's report of June 1963 to the Congress of the United States about "Premature Approval of Large-Scale Demolition for Erieview Project 1, Cleveland, Ohio, by the Urban Renewal Administration, Housing and Home Finance Agency," which says:

The examination of the buildings in the project 1 area by the Chicago HHFA regional office was too limited in scope to provide proper support for URA positive determination that large-scale demolition was warranted.

HHFA regional office officials began a tour of the project site on the afternoon of November 15, 1960, and completed it the following morning. The official report on the tour states that they only drove through the project area and walked by some of the buildings. Moreover, the report indicates that the officials did not inspect the interiors of any of the 84 buildings which the city had classified as substandard. This limited inspection apparently was the principal basis for the determination that the area met URA's requirements for clearance. The failure to make a building-by-building review precluded HHFA from adequately considering whether the structures could have been improved and successfully integrated into the project.

On the basis of our review of the city's building inspection reports, we questioned whether the deficiencies reported for the 84 buildings were serious enough to warrant classifying the buildings as substandard. Accordingly, the HHFA Chicago regional office assigned a technically qualified staff member to accompany the city inspectors and our representatives on a detailed reinspection of the buildings. We suggested that the reinspection be confined to evaluations of the actual structural condition of the buildings in order to determine whether the violations cited in the inspection reports (1) could be corrected by normal maintenance or (2) were of sufficient gravity to warrant demolition of the buildings.

We reviewed the condition of 77 of the 84 buildings. During our review the HHFA specialist, who defined a standard building as one that is structurally sound and does not warrant clearance for reasons of structural deficiency, determined that 60 of these buildings were standard structures. We proposed that the Commissioner, URA, review his approval of Project 1-Erieview for large-scale demolition in the light of the evidence which cast doubt on the original basis for such approval. The Commissioner, URA, informed us that the Chicago HHFA regional office subsequently made a complete reevaluation of the buildings in the project area in August 1962.

Now, Mr. Speaker, note the following additional statement from the GAO report:

The August 1962 revaluation was based on a second review by HHFA of the city's inspection reports: "No new examination of the buildings in the project area was made." The criteria used in this revaluation for classifying buildings as structurally substandard differed from the criteria used by the HHFA specialist, since the revaluation resulted in classifying 50 buildings as structurally substandard, whereas the HHFA specialist classified only 24 buildings as structurally substandard. We were unable to reconcile the differences in the criteria. In addition, it is significant that the 84 buildings that were revaluated as being substandard are not the same 84 buildings that were originally classified as substandard.

We questioned the reliability of HHFA's revaluation, which was based on a desk review of the city's inspection reports. It would seem that a revaluation based on an actual reinspection by HHFA specialists would have produced more reliable results. The Commissioner, URA, acknowledged that the city's method of classifying buildings may need modification.

Mr. Speaker, when called before my subcommittee, Mr. Bernard Sacks, supervisory accountant for the General Accounting Office, testified under oath and further exposed the situation in Cleveland. Let me quote from pages 1512 and 1513 of Mr. Sacks' testimony before the subcommittee of which I am chairman. Mr. Sacks said that the GAO:

Presented our findings to the Urban Renewal Administration and to the Housing and Home Finance Agency, and their reply in effect was that they insisted there are 84 buildings that were substandard. Now, of these 84, they said 50 were structurally substandard and 34 were substandard for other reasons, and these reasons concerned other blighting influences. They insisted there were still 84 buildings that were substandard. I may add at this point that after receiving the reply from the Urban Renewal Administration stating that 84 buildings were still substandard, we went and verified. We did a little bit more work in Chicago, and determined that the 84 buildings cited by them as being substandard were based on a revaluation of the original inspection report. They did not go back to the city of Cleveland to revaluate the buildings. They just picked the same inspection reports and arrived at the 84 buildings. In addition to that, the 84 buildings that they informed us were substandard were not the same 84 buildings that they had originally told us were substandard. What happened is that we presented the pictures of certain buildings in the report, the first four pictures noted in this report, and they agreed that these buildings were not substandard, but somehow other buildings took their place on the list and they still came up with the same 84. In addition to that, they say that 50 buildings were structurally substandard. This determination was made in Chicago by their own expert, their own man who they sent along with us told us that only 24 were structurally substandard, and this 24 was based on his personal review of the buildings in Cleveland, but yet HHFA, without making an independent review of these buildings, concluded that 50 were structurally substandard. We then concluded and so noted in the report that on the basis of the amount of buildings and the percentage of buildings in the Cleveland area that were structurally substandard, in our opinion the Urban Renewal Administration should have considered other alternate forms of urban renewal treatment for this area before approving large-scale demolition. We believe that HHFA should have investigated the conditions of the buildings and made an independent verification of the condition of the buildings and that they should have considered alternate forms of urban renewal treatment before they approved the area for large-scale demolition.

Naturally, Mr. Speaker, my subcommittee was appalled by this GAO revelation of reckless and arbitrary action by the HHFA in picking out buildings in good condition to be demolished for urban renewal. I wondered if some of the great buildings in our Nation could be determined substandard by the lax rules and regulations as now used by the HHFA. Mr. Sacks testified, and I quote:

That the U.S. Capitol "would be considered substandard on the grounds that it is a single-purpose building, inadequate for conversion to other uses, and perhaps it would be considered substandard on the basis of inadequate street layout."

Furthermore, Mr. Sacks testified, and I quote, that—

any building, including the Empire State Building, could be considered substandard. The Empire State Building could be considered substandard on the basis of incompatibility, depending on what they wanted to do with the land, inadequate parking, density, for the general welfare if the city fathers so decided.

Obviously then, Mr. Speaker, something was terribly amiss in Cleveland. And when the Reader's Digest courageously chose to help me expose the mess, the Commissioner of Urban Renewal hit the ceiling and accused us of lying.

Now, Mr. Speaker, when I served as a district attorney before coming to Congress, I learned that frequently when somebody screams "smear" as loudly as Mr. Slayton did, there is often a hidden motive behind such actions. Believe me, in this case there certainly is.

Let us reconstruct the political and business situation that existed in Cleveland before the GAO made its audit, before my subcommittee began its investigation. According to testimony before my subcommittee, the Cleveland housing official responsible for grading the buildings in the Erieview project as being substandard was the late O. P. Plymale, chief building inspector for the city. In turn, he reported directly to a Mr. James Lister, director of the Department of Urban Renewal and Housing of the city of Cleveland. Mr. Lister in his turn reported directly to the mayor of the city, who was then the Honorable Anthony J. Celebrezze, now serving as Secretary of the Department of Health, Education, and Welfare. In short, Mr. Celebrezze held much of the administrative responsibility for initiating urban renewal in Cleveland.

Mr. Speaker, when the GAO investigators appeared on the scene in Cleveland to conduct their inquiry, they were asked by representatives of the city government to leave the city and halt their investigation because it was felt that they were interfering with Mr. Celebrezze's campaign for reelection as mayor. This, however, did not deter the eventual investigation, for the GAO men returned after the election and continued their audit.

Mr. Speaker, according to the testimony of Mr. Sacks of the GAO before my subcommittee, and I quote from this passage:

Originally the city of Cleveland itself—more specifically, the city planning commissioner of Cleveland—prepared a study, and in the study they concluded that there was a need for revitalizing downtown Cleveland. In 1959 the general plans prepared by the city of Cleveland were approved by the mayor who in 1959 requested that the Cleveland Development Foundation study and recommend methods of implementing this general plan prepared by the city planning commission. Now, the Cleveland Development Foundation made a private study of the downtown area and made a detailed, or, they made a more detailed plan of the need of the downtown area, so far as the needs for office buildings, stores and apartments were concerned, and they pretty much, we understand, delineated, that is, originally delineated the area for further work. Once this plan was prepared, then the city contracted with I. M. Pei & Associates to develop what they called a general neighborhood renewal plan, and the urban renewal plan, which was a more exhaustive and detailed study. Much of the background, the delineation of the area, was prepared by the Cleveland Development Foundation.

Mr. Speaker, this testimony begins to uncover the hidden motives behind Mr. Slayton's slanderous attack on my article in the Reader's Digest. Mr. Slayton is trying to protect his own skin and hide his tracks. Because what the GAO had uncovered, what my hearings had revealed, was that before becoming Commissioner of Urban Renewal, Mr. Slayton helped plan Erieview Project No. 1 from the outset. And it is obvious, Mr. Speaker, that Mr. Slayton became even more deeply involved when, after becoming Commissioner of Urban Renewal, he found himself sitting in judgment of Erieview Project No. 1. Thus, as the GAO pointed out, Mr. Slayton originated and then sat in judgment on the condemnation of the buildings in Cleveland, the wasteful spending of multiplied millions of the taxpayers' money. Here is a man who, in private life, helped create a monster project of Federal spending and later as a Government official kept it alive by feeding its voracious appetite with millions of dollars of taxpayers' money.

Mr. Speaker, at this point I think it well that the RECORD should show some more background facts of Mr. Slayton's career. He came to Washington in 1950 as the assistant director of the National Association of Housing and Redevelopment Officials. This organization is composed of personnel holding positions with Federal and local governments relating to housing and urban renewal activities. The organization publishes a newsletter and also the Journal of Housing, both of which are devoted to information and promotional material regarding the Nation's housing and urban renewal programs. During his 5-year employment in this capacity, he developed wide acquaintanceship not only with the personnel in local governments but also with the housing and redevelopment plans of many cities. During this period he came to the attention of Mr. William Zeckendorf, president of the Webb & Knapp Co., of New York, which was becoming increasingly involved in urban renewal activities.

In 1955 Mr. Slayton became affiliated with I. M. Pei & Associates, of New York City, and also became a vice president of Webb & Knapp Co., of New York, for its Washington operations in planning and urban renewal redevelopment. In these two capacities he became the responsible official, as I mentioned earlier, for the handling of Webb & Knapp interests in the southwest area C urban renewal which was set aside exclusively on a noncompetitive basis for the Webb & Knapp Co. Also, as an official of I. M. Pei & Associates he was involved with the planning activities of that firm in cities in addition to those in which Webb & Knapp Co. was involved in redevelopment activities.

When he became Urban Renewal Administrator, Mr. Slayton was in a unique situation. He found himself working hand in glove with former NAHRO friends and clients in an official capacity. Thus he might exercise judgment concerning the granting or withholding of Federal grants and loans in connection with projects originated by his former friends or even projects in which he himself participated as an originator. For example, as a member of the I. M. Pei & Associates before becoming Urban Renewal Commissioner, he "worked directly with the city representatives" of Cleveland on the Erieview project.

Although these connections of Mr. Slayton's had been known long before he attempted to discredit my article in Reader's Digest, the public generally had no knowledge of just how bad a boondoggle the Erieview project has become. In order to prevent any similar waste of Federal funds in the District of Columbia, my subcommittee studied the report of the Comptroller General and took public testimony to guide the committee regarding pending legislation. Thus, in trying to discredit my statements about the Erieview project, Mr. Slayton was in reality trying to cover up his own involvement in that particular project.

It may interest Members of the House to know that Mr. Slayton has another means which can be used to intimidate and threaten Members of Congress. This is through a Technical Advisory Committee to the Urban Renewal Administration appointed by Mr. Slayton presumably for the purpose of furnishing to the Urban Renewal Administration advice, counsel and assistance regarding housing and urban renewal problems. Members of this council, since they have no official status as employees of the Government, are free to travel to other communities and appear publicly to support and defend the actions of the agency.

A recent example of the use of this council for these purposes happened during the month of April this year when a member of this advisory council addressed a group in St. Louis. In the course of his visit, he publicly called for the defeat of a member of my subcommittee and for my defeat in the then imminent primary elections and for the defeat of the ranking minority member of the Housing Subcommittee of the Committee on Banking and Currency. It would appear that the agency misuses Federal funds to purge Congressmen who call attention to the agency's wasteful use of public revenues.

Mr. Speaker, it is conclusively shown that Mr. Slayton was fully aware of the evils and inadequacies of the Erieview project long before he accepted his exalted and supposedly honorable position as a Federal official. And this also explains why, under Mr. Slayton's direction, the Urban Renewal Administration has failed to implement the GAO recommendations on the Erieview project, or any other project for that matter, and shows why millions upon countless millions of tax dollars are being pounded down this rathole of waste.

In summation, Mr. Speaker, I would like to point out that only recently I have been through a strenuous but highly successful primary election campaign. During this campaign, Mr. Slayton, a high official of the executive branch of the Government, saw fit to attack me personally. His claims were false and fraudulent, and Mr. Slayton was guilty of using his high office in an attempt to deceive the voters and to insure a favorable legislative attitude toward his actions. His attack signified an unwarranted use of executive power and threatened the independence of the legislative branch of Government. I was not hurt by Mr. Slayton's fraud and deceit because I was sustained by the faith of the people of my district. And as I said before, I am determined that in the future the kind of slander initiated by this particular Federal official will not be visited upon any member of the press or upon other members of this branch of Government. It is Congress which has the most to lose by such infamous attacks. If high officials in the executive branch of Government can successfully make false accusations against Congressmen and Senators, the intimidation of the legislature will have been complete and freedom of speech in the press will be destroyed.

Mr. Speaker, similar pressures to those placed on me and the Reader's Digest in recent months have been shouldered by other newsmen in Washington. All too frequently of late, stories based on documented evidence and painstaking research are denied by Federal officials who call these reputable reporters liars and try to intimidate their publishers. Should pressures of this nature be allowed to continue, then the press can no longer expose venal and corrupt Government officials. Worse, Congress will have lost one of its strongest aids in guaranteeing the American people an honest and efficient Government.

Mr. Speaker, I charge that William L. Slayton, a high official in the executive branch of the Federal Government, willfully made false statements against my article in the Reader's Digest, while I was involved in a primary election contest, for the purpose of trying to discredit me. This same official has also tried to discredit the General Accounting Office, the Comptroller General of the United States, the State auditor of the Commonwealth of Massachusetts, and a subcommittee of the House of Representatives.

Mr. Speaker, if Mr. Slayton's actions and statements were done and made through ignorance, he is incompetent to hold his high office; if done willfully and dishonestly, he is unfit to hold such office. I respectfully request a thorough investigation of the activities of William L. Slayton, in his capacity as Commissioner of Urban Renewal in the Housing and Home Finance Agency, and his removal from office.

THE COMMONWEALTH OF MASSACHUSETTS, DEPARTMENT OF THE STATE AUDITOR, REPORT ON THE EXAMINATION OF THE ACCOUNTS OF THE BOSTON REDEVELOPMENT AUTHORITY, FROM OCTOBER 4, 1957, TO FEBRUARY 25, 1963, OFFICIAL AUDIT REPORT, AUGUST 16, 1963, STATE AUDITOR'S DEPARTMENT, THOMAS J. BUCKLEY, STATE AUDITOR

NOTES AND COMMENTS

1. Audit: This examination was conducted under the provisions of chapter 733 of the acts of 1962, which became effective on October 24, 1962.

(This audit disclosed the fact that certain of the financial records of the Boston Redevelopment Authority were found to be either inadequate or nonexistent), and, as a result, this condition created many audit problems and required the expenditure of much time and effort to assemble data with regard to the financial transactions of the agency. Some of the difficulties encountered are fully explained in the various notes and comments contained in this report. Accountants have been assigned to a continuance of certain phases of this audit which will be reported as a part of the next annual report on an examination of the accounts of this agency.

2. General: (While the Boston Redevelopment Authority at the present time has 19 areas in various stages from planning to construction, only 6 of these areas have reached the stage where land acquisition and construction has been either initiated or completed.)

The extreme laxity of the financial controls of the authority, in the expenditure of public funds and sale of properties for a small fraction of their actual cost and value are clearly demonstrated by the comments of this report. Although the Boston Redevelopment Authority was organized in September 1957 and took over from the Boston Housing Authority in December 1957, it is worthy of comment that the only two project areas that have reached the construction stage are those taken over from the Boston Housing Authority. Another project under construction is a city of Boston project.

The principal result of Boston Redevelopment Authority operations has been the creation of numerous parking lots on valuable land, which have been rented to private operators at a fraction of their value, and thus hardly redounds to the credit of the Boston Redevelopment Authority. It is pertinent to point out that land owned by the Boston Redevelopment Authority is not subject to real estate taxes, and, therefore the delay in construction in these areas has cost the city thousands of dollars in tax revenues and at the same time has provided substantial profits to the favored operators of these parking areas.

The six projects which have progressed beyond the planning stage are as follows:

A. New York streets: This was the first redevelopment project in the city of Boston, and it was initiated by the Boston Housing Authority. The Boston Housing Authority acquired the land in this area by eminent domain on July 27, 1955, and demolished buildings with an assessed value of $2,535,000. They installed site improvements and graded the land at a total net cost of $5,109,317.04. The total area involved in this project was 867,000 square feet and was disposed of by the Boston Redevelopment Authority as follows:

Owner	Area in square feet	Price per square foot	Price paid
Cerel-Druker (developer)	595,989	$0.67	$392,312.89
Carol R. Druker	13,756	1.14	15,670.70
George Paglarulo	3,200	1.40	4,480.00
ITOA	5,996	1.20	7,195.20
Herald Traveler [1]	13,291	.67	8,905.49
Brenton Clothing Co.	12,360	1.00	12,360.00
Troy Realty Co.	14,540	.90	13,086.13
Total	[2] 659,132		461,010.41

[1] Herald Traveler also purchased 268,913 square feet from the redeveloper at a price of $0.67 per square foot at a total cost of $180,172.02.

[2] Does not include 207,868 square feet held by BRA for public or institutional purposes.

Attention must necessarily be directed to the fact that this land was sold for less than 10 percent of its cost to the BRA representing an immediate loss to the taxpayers of $4,648,306.63 (see schedule V). As stated before, the assessed value of property taken amounted to $2,535,000 and the current assessed value of the area is only $3,017,900.

B. West end project: This area was also acquired by the Boston Housing Authority prior to the creation of the BRA. The area was prepared for redevelopment at a net cost to January 31, 1963, of $16,248,319.09 (see schedule X). To prepare the area for redevelopment property valued at $9,010,100 was demolished. By contrast, the current assessed value of new construction in the area has been set at $2,206,800. The present status of land sales in this area is as follows:

Purchaser	Total square feet	Selling price per square foot	Price paid
Retina Foundation	35,714	$1.35	$48,213.90
MDC	4,006	1.35	5,408.10
Archdiocese of Boston	64,163	1.35	86,620.05
Total	103,883		140,242.05

The total area involved in this project amounts to 1,780,833 square feet; 465,000 square feet has been leased to Charles River Park, Inc., while 843,000 square feet has been held for that corporation under a leasehold agreement. The remaining 369,000 square feet has been held by the BRA for public or institutional purposes.

From the very beginning, this area was apparently set aside for luxury-type, high-cost apartments. There seems to have been some doubt in the minds of the Federal Housing Administration that a project of this type and this size could be absorbed by the city of Boston. Apparently, the FHA made known these doubts for in a letter dated September 26, 1958, the vice president of the Charles River Park, Inc., which was later assigned as developers, asked the executive director of the BRA for his cooperation in "overcoming FHA's attitude that Gruen's project is to too good for Boston to be able to afford."

The objection of the FHA was apparently well based for in the lengthy period that has existed since seizure, the redevelopment of the area is far from completion. The area was awarded to the Charles River Park, Inc., as developer under a leasehold agreement, dated November 23, 1959, and to the date of this audit, only two apartment buildings have been completed while another is under

construction. Attention is directed to the fact that this leasehold agreement cost the developer nothing but it requires the BRA to hold all of the area for what could be an indefinite period for the exclusive use of the developer and it also has the effect of withholding the unleased area from the tax rolls of the city of Boston.

Under this leasehold, the BRA agreed to lease the project area at an annual rental of $0.081 per square foot for land marked for residential use and $0.09 per square foot for land marked for commercial use. Rental payments are to begin at such time as the developer takes possession of the individual parcel. The term of the lease for each parcel is scheduled to end 50 years from the time of its commencement and the developer has the option to renew any such lease for two additional periods of 20 years. The developer is required to pay real estate taxes and he also has an option to purchase at any time during the term of the agreement title to any parcel at a purchase price of $1.35 per square foot for residential land and $1.50 for commercial land. If the developer exercises his option to purchase, he is required to pay costs incidental to any definitive loan the authority may make for the project area.

Under the terms of this leasehold the developer to date has taken over three parcels and he was in default according to his leasehold agreement on two other parcels which were to have been taken by March 7, 1963. Insofar as the city is concerned, it has suffered a substantial and continuing loss since the assessed values of property taken amounted to $7,910,100 as compared with the assessed value of $2,206,800 on the new construction in the project area, and the city has also suffered a substantial loss since the major part of the area is being held by the BRA under a nontaxable leasehold agreement.

The following items give evidence that the BRA and others have been more interested in the finances of the developer than they have been in serving the interests of the city of Boston:

1. There appears to be a lack of adequate finances behind this developer which has undoubtedly been a factor in contributing to the delay in further construction. The FHA originally placed an 80 percent occupancy criterion on the first complex before it would insure a loan on the second. In other words, the FHA insisted that the first complex must be 80 percent rented before they would insure a construction loan on the second. The developer was apparently unable to meet this requirement and the FHA dropped the occupation rate to 70 percent and then when the developer was still unable to continue, they reduced this criterion to 50 percent and at that point, the developer was finally able to start on the next complex.

2. The authority has agreed to lease this area to the developer rather than negotiating an outright sale. This procedure raises an interesting problem for the BRA since it will therefore be necessary for the BRA to borrow the money to cover the stated value of the land area before the books of the project can be closed. We therefore arrive at the unusual point where it now appears that the authority will probably borrow the value of the land from the HHFA with interest paid by the BRA.

3. Public records indicate that the mortgage on this complex amounts to $12 million and it is worthy of comment that the assessed value of the property for the taxable year 1963 was set at $1,875,000.

4. In a comment in this report titled "Contracts" attention is directed to a payment of $13,500 by the BRA to the architect employed by the developer for changes desired by the developer in the area plans. It would seem that if such alterations were sought by the developer he should have paid the costs of such architectural alterations.

5. On February 11, 1960, the Boston Edison Co. paid to the BRA $43,800 for an easement agreement for 47 years under which the utility company was granted rights and easements to repair, renew and maintain steam lines of the company in the project area. This money was placed in deposit by the BRA in an escrow fund to be paid to the developer upon his completion of installation of lateral wiring from the streets or public ways to the electrical vaults of the various residential complexes. In view of the fact that the BRA had basic easement rights, it is not clear why all of this money was set aside for the developer.

6. The developer is already in default in two of the parcels in this area which he was scheduled to take over on March 7, 1963, and it seems unlikely that he will be able to meet his obligation to take over the two remaining parcels on the scheduled dates. Unless the BRA takes definite and drastic action, the remainder of this project may remain undeveloped by this developer for many years. It must be pointed out that the developer has already taken over the most desirable parcels in the project area and it is therefore logical to assume that the problems encountered by the developer to this point will be magnified with the remaining residential parcels which are less desirable as to location.

C. Whitney Street: This project, intended to provide middle-income housing, is located on a 7-acre tract in the Whitney Street section of Roxbury. It was accomplished entirely from city of Boston funds and no Federal contribution has been sought by the city of Boston and it is further understood that no financial assistance will be requested of the Commonwealth.

This project consists of three parcels, one of which has been leased to a private corporation under the authority of chapter 121A which provides for tax concessions and a limited profit to the developer. As of the date of this audit, high-rise buildings were under construction on this parcel.

D. Government Center: The land for this project was taken on October 25, 1961, by the BRA and when developed will provide a location for a complex of public buildings serving the city, State, and Federal Government and it is also understood that the area is planned to include sites for private office buildings. As a part of the cost of this project the MTA tunnel between Scollay and Haymarket stations will be relocated. In clearing this area, property with an assessed value of $14,872,500 will be demolished. For the period ending January 1, 1963, the total costs of this project have amounted to $16,650,603.40. (See schedules XXVI and XXIX.)

Only one parcel in this area has been disposed of. Parcel No. 5, including 198,539 square feet was sold to the Federal Government for a Federal office building at a price of $1,200,000.

E. Washington Park: This project which is in the Roxbury-North Dorchester area will concern itself with the rehabilitation of existing dwellings, the construction of new schools and other neighborhood improvements with areas set aside for low-cost housing units.

The assessed value of properties taken in this area amounted to $2,157,900. The total costs of this project to January 31, 1963, have amounted to $906,825.26 (see schedules XVIII and XXI) and the project is in the early land acquisition stage. It is interesting to note that, with considerable publicity, ground-breaking ceremonies on a parcel of this project were held on May 10, 1963. Attention is directed to the fact that the BRA did not vote to purchase this site until May 15, 1963, which was 5 days after the ground-breaking ceremonies were held.

F. South End: This project involves the acquisition of 28 acres in the Castle Square section of the South End to provide land for housing units and commercial and industrial development. The project is also planned to concern itself with the rehabilitation of some of the present South End dwellings. Property in this area with an assessed value of $3,600,800 was taken on December 19, 1962. Total costs of this project to January 31, 1963, have amounted to $578,527.89. (See schedules XXXVII and XL.)

G. Private developments: The BRA has also approved two urban renewal projects which do not involve the expenditure of public funds.

1. Prudential Center: The authority ruled that the proposed site was a blighted, open area within the provisions of chapter 121A of the general laws and that the proposed project would be beneficial to the public. This ruling permitted the Prudential Insurance Co. to receive special tax consideration from the city under the provisions of said chapter.

2. Tremont-Mason Streets: This development will involve the demolition of buildings on Tremont Street by a private developer and the construction of a high-rise apartment building facing Boston Common. The BRA declared this an urban renewal area in order that it could qualify for FHA financing.

3. Establishment of urban renewal program: The urban renewal program in the city of Boston was originally initiated by the Boston Housing Authority and the Boston Redevelopment Authority was subsequently given the responsibility and the authority over the program.

The Boston Redevelopment Authority was organized in September 1957 and on December 20, 1957 the authority entered into a novation agreement with the Boston Housing Authority to take over the urban redevelopment projects initiated by the housing authority. These projects were New York Streets, U.R. Mass. 2–1; West End, U.R. Mass. 2–3; and Mattapan, Mass. R–5.

4. Source of funds: Funds under which the BRA and all other redevelopment authorities operate are provided by the Federal, city, and State governments. Broadly speaking, the Federal Government contributes two-thirds of the cost and the remaining one-third is paid by the city; however, the city is reimbursed by the Commonwealth for one-half of its costs. This is accomplished under the provisions of section 26FFF of chapter 121 of the general laws which, however, specifically provides that the State grants shall not exceed one-half of the contribution of the municipality concerned or not more than one-sixth of the net project cost when the municipality pays the cost of administrative planning and legal expenses.

Attention is directed to the fact that this law further provides that the Commonwealth's participation shall be paid in 20 equal annual installments and the same legislation places a specific limit of $30 million on such payments. It would seem that this latter fact is either not known to the BRA or is being ignored, for the present urban renewal program in all its various stages could conceivably result in a total charge against the Commonwealth of $37,685,000. Attention is directed to the following schedule which was prepared by the BRA as of December 31, 1962, indicating the potential costs of projects in various stages by the BRA at that time.

Federal reservations and local share

Project	Net project cost	Federal reservations and grants	State contribution	City of Boston share
New York streets	$4,800,000	$3,200,000	$800,000	$800,000
West End	16,410,000	10,940,000	2,735,000	2,635,000
Whitney St	1,550,000			1,550,000
Government Center	35,600,000	23,700,000	5,950,000	5,950,000
Washington Park	27,800,000	16,500,000	4,600,000	6,700,000
South End	34,200,000	22,800,000	5,700,000	5,700,000
Charlestown	21,000,000	14,000,000	3,500,000	3,500,000
Waterfront	22,200,000	14,800,000	3,700,000	3,700,000
Central business district	27,600,000	18,400,000	4,600,000	4,600,000
South Cove	12,900,000	8,600,000	2,150,000	2,150,000
Parker Hill-Fenway	3,900,000	2,600,000	650,000	650,000
East Boston	$5,600,000	$3,700,000	$950,000	$950,000
Jamaica Plain	5,100,000	3,400,000	850,000	850,000
Back Bay	900,000	600,000	150,000	150,000
South Boston	6,700,000	4,500,000	1,100,000	1,100,000
North Harvard	400,000	300,000	50,000	50,000
Mattapan	1,300,000	900,000	200,000	200,000
Roxbury-North Dorchester				
Downtown North				
Downtown				
Total	227,960,000	148,940,000	37,685,000	41,235,000

It will be noted from the above that the amount scheduled for the State's contribution is $7,685,000 in excess of the amount authorized by the general court for redevelopment by all the cities and towns in the Commonwealth.

Available records at the State housing board indicate that as of May 31, 1963, the Commonwealth had already allocated approximately $6 million to renewal programs in other cities and towns and it may be expected that as time goes on this amount will be considerably expanded.

As of May 31, 1963, therefore, there was remaining a balance of $24 million and if the entire amount was allocated to the city of Boston, it would leave a balance that would have to be paid by the city of $13,685,000 in addition to the indicated commitment of $41,235,000, or a total of $54,920,000.

Thus far cash received by the BRA from the city of Boston has been as follows:

	Total
Direct payments	$5,384,865.38
Transfer BHA to BRA	1,380,266.59
Taxes retained by BRA	843,851.33
Total	7,608,983.30

Federal funds have been made available to the BRA under the following categories:

	Total
Notes payable and advances	$5,666,044.21
Capital grants earned	10,645,669.00
Relocation grants earned	1,133,133.67
Total	17,444,846.88

In addition to these payments the Commonwealth of Massachusetts has made two annual payments in the total amount of $343,027.75 to the city of Boston as its share of one-half of the expenditures of the city on the New York Streets and the West End projects. A balance of $717,645.15 is due on the New York Streets and $2,473,195.60 is due on the West End project to be paid to the city in 18 annual installments to end in 1979. (See schedules VII and XIII.)

5. Administration: As indicated previously in this report, funds for the operation of the BRA come principally in the form of Federal grants with the city paying approximately one-sixth of the net cost since one-half of the city's expenditures are reimbursable by the Commonwealth.

This may explain the almost complete lack of control over expenditures. It is a fact that the BRA is almost completely controlled by the city and it would seem that the BRA has ignored the fact that the moneys they are spending are public funds and the only original source of such funds is the taxpayer.

Despite the tremendous sums of money involved in the activities of the BRA, the agency is operated without an administrative budget. While it is a fact that the individual projects under the BRA's jurisdiction are operated under individual budgets, these budgets do not afford control over administrative costs. The costs of administration, after expenditure, are distributed over the various projects, but instances were noted in which the costs have exceeded the budgeted amount. In such instances it was noted that the extra costs involved were paid from city of Boston funds, and a request for an enlargement of the budgeted amount was thereupon made to the HHFA. The HHFA has been extremely generous in approving these requests, and after Federal approval the BRA has repaid the overrun to the city of Boston funds.

The administrative section of the BRA lacks any semblance of procedure on personnel matters, it is indifferent to costs, and operates without any real control over quantites of supplies, equipment, and services used.

A. Personal services: Article No. 6 of the resolutions adopted by the Boston Redevelopment Authority on January 25, 1961, included the following recruiting policy which the development administrator was authorized and directed to follow:

"The successful carrying out of the development program requires a staff of the best and most qualified people available from city, State, and Nation. The staff opportunities available in the Boston program are to be widely publicized in the appropriate channels.

"Ability to do the job must be the sole criterion for employment in order to maintain public confidence in the program and to avoid considerations in recruitment."

Some idea of the rapid expansion of the administrative payroll of the BRA can be seen from the following:

Date	Employees	Monthly cost
December 1961	229	$107,081.72
December 1962	317	156,506.45
June 1963	436	207,622.95

As stated before, this agency operates under a system under which payroll costs for each month are later distributed over the various projects under the control of the BRA.

Recruiting of new employees appears to have been handled almost exclusively by the development administrator. There appears to be no table of organization set up for the agency. Appointments are made in the first instance by the development administrator with no limit placed upon him other than the need of obtaining the subsequent approval of the board members. While it appears that salary grades have been established for each title with a maximum and minimum allowance, the matter of setting the actual salary within these limits is left entirely to the development administrator, however, again subject to later approval by the board.

No annual step rates as such have been provided in the salary grades and promotions and salary increases are left again to the initiative of the development administrator. This is hardly the procedure to be used in establishing a proper organization.

A review of 163 personnel folders showed that 85 of the employees were chosen from outside the State and some actually came from foreign countries. This situation apparently arose from the fact that previous experience in redevelopment work was considered to be an essential element in the hiring of new employees. The comments contained in this report would seem to indicate that the authority would have been well advised if they had given more consideration to the hiring of employees who possessed responsible experience in the handling of public funds and who lived in the area and had some knowledge of its environs.

The personnel records as maintained by the authority are practically worthless as is evidenced by the following:

1. Payroll exemption certificates are not current in over 50 percent of the records checked. Approximately 180 employees have not completed these forms and in many cases, the actual payroll deductions do not agree with the forms that have been completed.

2. Attendance records do not always reflect the daily attendance or explanation of absences.

3. In checking individual payroll records it was noted that in many cases annual leave actually taken by employees has not been recorded on the attendance record.

4. Many instances were noted where employees were absent on sick leave and this leave was not recorded on attendance records.

The following is a list of employees of the BRA receiving annual salaries of $10,000 or more as of the date of audit:

Name	Title	Annual salary	Name	Title	Annual salary
Edward J. Logue	Development administrator	$25,000	Robert E. McGovern	Real estate officer	$15,000
Edward J. Logue	Development administrator (city of Boston)	5,000	David A. Crane	Deputy planning administrator	15,000
Ellis E. Ash	Deputy development administrator	22,000	Peter A. Reimer	Project director	14,750
John P. McMorrow	Director, administrative management	20,000	Russell M. Traunstein	do	14,000
James Drought	Assistant administrator of development	18,000	William J. Johnson	Assistant executive director	13,250
Kane Simonian	Executive director	18,000	Wallace B. Orpin	Chief engineer, director of site development	13,000
John C. Conley	General counsel	17,000	Patrick E. McCarthy	Project director	13,000
Robert E. Rowland	Director, community renewal administrative division.	16,250	Thomas E. McCormick	Director of planning	12,250
			Thomas P. McCusker	Coordinator	12,000

Name	Title	Annual salary	Name	Title	Annual salary
John R. Rothermel	Chief planning analyst, capital budget officer	$12,000	Thaddeus J. Tercyak	Assistant project director	$10,750
Robert G. Hazen	Project director	12,000	Arnold L. Schucter	Project planning officer	10,500
Richard R. Green	do	11,500	Robert M. Litke	Federal relations officer	10,250
George J. Feltovich	do	11,250	Elmer C. Foster	Director, community relations	10,250
John J. Desimone	Chief of surveys	11,250	Carle W. Greene	Civil engineer	10,000
Thomas F. Hanley	Assistant counsel	11,200	Brigette G. Alexander	Chief planner	10,000
John F. Bok	Assistant legal officer, development administrator.	11,200	Henry S. Brinkers	Chief planning analyst	10,000
Vincent K. Cates	Engineer	11,000	John J. Coughlin, Jr	Assistant Director, administration management.	10,000

An analysis of the salaries paid by the BRA as of May 31, 1963, resulted as follows:

Employees	Salary range	Percent of total
55	Under $5,000	32
85	$5,000 to $6,000	21
45	$6,000 to $7,000	11
50	$7,000 to $8,000	12
35	$8,000 to $9,000	8
27	$9,000 to $10,000	6
39	$10,000 and over	10

B. Recruiting policy. As has been indicated previously a substantial part of the administrative personnel of this agency particularly in the higher salary grades were recruited from outside of the State and in many instances the BRA paid the travel expenses of these individuals when they came to the BRA seeking employment. It was noted that the Federal Housing and Home Finance Agency had refused in the first place to approve expenditures of this type and had indicated that they could not accept such costs unless the BRA could produce evidence that this practice was followed by the city of Boston in the recruiting of city employees. In justifying these expenditures the development administrator stated in a Federal audit report for a period ending September 30, 1961, as follows:

"The Authority's files contain a letter from the mayor in which he states that there is no statute or city ordinance prohibiting reimbursement to persons being interviewed for positions with the city. The letter further states that, although no requests for such payments have been made since the beginning of his administration, the mayor's policy has been and would continue to be to reimburse such persons, providing that, in his judgment, the city's interests were to be served and he considered it advisable to make such payments."

A search of the files failed to locate this letter referred to by the development administrator. On the strength of this reply, however, payment of these expenses was made to the individuals concerned. The following is a list of the persons involved at that time:

Applicant's name	Date of interview	Traveled to Boston from—	Amount
R. Coughlin	Mar. 8, 1961	Philadelphia, Pa	$31.37
A. Guttenberg	Mar. 18, 1961	do	42.52
R. Litke	Mar. 27, 1961	Washington, D.C	64.46
R. Traunstein	Mar. 24, 1961	Rochester, N.Y	59.60
P. Reimer	Apr. 11, 1961	Washington, D.C	57.37
P. Reimer	May 24, 1961	do	65.27
A. Roohr	Apr. 4, 1961	Philadelphia, Pa	21.63
H. Speak	Apr. 26, 1961	Pittsburgh, Pa	83.90
K. Kralowec	Apr. 21, 1961	Minneapolis, Minn	163.94
D. Crane	May 15, 1961	Philadelphia, Pa	53.15
D. Crane	June 6, 1961	do	53.17
Total			696.38

In addition to reimbursing an applicant for the cost of his trip to Boston for an interview the BRA also adopted a policy of reimbursing the new employee for the cost of his moving expenses to Boston. A few examples are listed herewith:

	Amount
Feb. 14, 1962, Edward Logue from New Haven	$1,054.35
Feb. 14, 1962, George J. Feltovich from Philadelphia, Pa	433.51
Mar. 26, 1962, Walter L. Smart from Philadelphia, Pa	496.75
Sept. 15, 1961, Ellis Ash from Arlington, Va	488.96
Oct. 20, 1961, Patrick E. McNulty from Berkeley, Calif	766.62
Oct. 20, 1961, John Stainton from Pittsburgh, Pa	734.06
Nov. 17, 1961, Russell M. Traunstein from Rochester, N.Y	628.50
Sept. 28, 1961, John R. Rothermel from Madison, Wis	780.25
Oct. 6, 1961, Peter P. Reimer from Falls Church, Va	418.04
Oct. 6, 1961, David Crane from Philadelphia, Pa	502.75

While this may be a common policy in private business, it is the first time that this department has encountered such practices in the expenditure of public money. Despite the citation that the development administrator made, ostensibly from a letter written by the mayor, our check with fiscal officers of the city of Boston indicates that to the best of their knowledge and belief no such expenditures have ever been made by the city.

C. Leave of absence with pay: Effective May 15, 1963, by a vote of the board, Ellis E. Ash, deputy development administrator at a salary of $22,000 per year, was granted a leave of absence with pay to take over the position of acting administrator of the Boston Housing Authority. This position normally earns a substantially lower salary than that paid to Mr. Ash by the BRA.

This is indeed a most unique and unusual arrangement whereby one agency is paying in full the salary of an individual performing services for another agency. It must be emphasized that the Boston Housing Authority, as such, has no direct relation to the activities of the BRA.

D. Travel expenses: The same lack of adequate control which characterizes every other administrative expense of the BRA is demonstrated in the record of payments made for travel. It would be impractical to attempt to list the many individual examples of specific abuses that were noted during our test check of these vouchers. In many instances, vouchers were found which did not indicate the area covered by automobile mileage and also showed only the total mileage traveled. One voucher for example approved a payment for 1,914 miles of automobile travel in a 4-month period, and, in numerous instances, it would appear that many vouchers were issued for the purpose of reimbursing employees for travel from home to the official station and return on a daily basis.

We also found evidences of excessive mileage, as for example, a voucher claiming 88 miles for travel between Rockport and the Logan Airport while another voucher charged 35 miles from Lexington to Logan Airport and this latter payment could be contrasted with other payments from Lexington to Logan Airport showing only 15 miles travel. Use of out-of-State travel appeared to be excessive and a considerable use of taxis was noted. Substantial payments also were made under a recruiting policy previously commented on in this report.

It can be stated categorically that the vast majority of these vouchers would be rejected for payment if only normal and basic regulations governing such expenses were enforced.

E. Telephones: An examination of the telephone bills paid by the BRA could easily lead one to believe that the authority has completely forgotten the existence of the U.S. mail service.

A payment of $4,694.01 to the telephone company on November 16, 1962, was analyzed and it was determined that basic telephone service cost the authority $2,150.58 while the cost of local message units amounted to $1,829.54 and the charge for toll calls for the period amounted to $713.89. While it is understandable that this agency should have numerous calls to New York and to Washington, in the final analysis, calls were made practically to every section of the United States including several made to Canada.

In attempting an analysis of the toll calls, numerous calls between Boston and Chilmark were noted and upon further examination it was found that most of these calls originated from credit card No. C9D issued to the development administrator. The charge for a normal 3-minute call from Chilmark to Boston costs $0.55. Of the many such calls located, only one was charged at this minimum rate and the cost of all others ran from a minimum of $0.70 to a maximum of $16.15.

Some of the telephones installed at the BRA headquarters are run through switchboards and an adequate record of all toll calls was maintained by the operator at the board. However, there are 17 private phones in the various headquarters of the BRA which connect directly with the outside resulting in a loss of immediate control over calls made from these lines. We see no reason for the existence of this situation and the BRA should make immediate arrangements for all of their telephones to clear through the switchboard so that the individual phone calls made can be recorded, regulated and controlled.

It also appears from an examination of these bills that the BRA has been overcharged on their basic rental cost and it is recommended that the BRA request services of the State supervisor of telephones in the office of the State commissioner on administration in conducting a review of these telephone services.

F. Legal fees: In 1961 the executive director of the BRA brought a certain legal action against the authority. The board as indicated in the minutes of the meeting, engaged the services of three legal firms to represent the authority collectively in this case. Apparently, one member of the authority chose

to engage his own attorney to represent him in the case.

It was noted that later the authority approved the payment of $3,950 to this attorney for his services even though the minutes do not indicate that he was legally employed. The total legal fees authorized to be paid by the authority in this case amounted to $22,188.25 and of this amount, only $7,488.25 was approved by the Federal Government and the balance of $14,700 was paid from city of Boston funds.

G. Insurance: At a meeting of the board held on March 1, 1961, at which three members were present the executive director distributed copies of a memorandum with reference to insurance coverage and recommended that additional insurance be obtained. The board then voted, "that James F. Kelley & Co. be designated as the official insurance broker for the authority, and further, that all existing policies now placed through Cronin Gartland Co. be canceled, effective March 15, 1961, or as soon thereafter as an audit and adjustment will permit, except for the comprehensive general liability for the West End project, which expires April 23, 1961; and further, that James F. Kelley & Co. be approved as broker for the West End Comprehensive General Liability Insurance after April 23, 1961, and that the executive director be authorized to obtain the additional insurance coverage recommended in the foregoing memo and to arrange for the renewal of the West End Comprehensive General Liability insurance through James F. Kelley & Co."

From the date of this order through February 28, 1963, net premiums in the amount of $159,536.25 have been paid to James F. Kelley & Co. as follows:

Comprehensive general liability	$143,159.28
Workmen's compensation	12,439.34
Fire and extended coverage	1,933.89
Position bonds	832.70
Landlords' and tenants' liability	533.55
Burglary and robbery	320.31
Automobile nonowners' liability	317.18
Total	159,536.25

H. Consultant retirement: On August 17, 1959, the authority entered into a 1-year contract with a social worker in the amount of $6,500. This contract was subsequently renewed for varying periods and a final contract renewal became effective August 17, 1962, at a rate of $8,500 a year. This consultant was later placed on the payroll as a social service officer on January 13, 1963, at $9,250 a year.

During the period that this consultant was retained on a contractual basis his payments were shown on the regular payroll, and the standard payroll deductions, including retirement, were taken from his pay.

It is indeed a most unusual arrangement to include a consultant's compensation on a regular payroll. It is also not readily apparent why retirement deductions totaling $1,321.18 were taken during the period that he was an independent contractor and not an employee of the authority.

The director of the city of Boston retirement system was asked if these had been proper deductions, and he indicated that in his opinion they were not, but that the matter would be referred to the retirement board for their decision.

Sixth. Accounts receivable: Redevelopment, by its very nature, is accepted on the premise that an immediate loss of many thousands of dollars in taxpayers' money will result. Reasonably clear thinking coupled with a respect for the taxpayers' dollars should immediately put upon the administrator of such a program the burden of recovering every possible dollar from normal revenues to offset at least a fraction of the extra costs being absorbed by the taxpayer.

One of the few sources of revenue open to the BRA is income from occupied properties from the time of seizure until relocation of the tenant has been completed. Ostensibly the original policy announced by the BRA was reasonable, since it provided that rents would be set at the rate in effect at the time the property was taken. However, the records indicate that almost immediately following the establishment of a rental based on this policy the authority adjusted the rate downward and in many instances there were several such reductions following one after the other on the same rental. In many other instances even the adjusted balance was written off as uncollectible.

As an example of this procedure it was noted that the total rent charges for property taken in connection with the Government Center project were originally set up in the amount of approximately $2,550,000 and almost immediately thereafter these rentals were adjusted downward in a total of approximately $300,000 which reduced the original rental charges to $2,258,198.78. Of this latter amount, the board itself approved waivers in the amount of $14,933.07 while refunds to tenants amounted to $11,022.66. The balance of accounts receivable on the Government Center project on February 28, 1963, amounted to $142,276.40 and it is a fair assumption that the substantial part of this balance will never be collected.

On the West End project it was not possible to obtain figures comparable to those cited on the Government Center project because the records maintained were practically useless. In the West End project no rent roll was established until months after rentals had been in effect, and the basic figure on which the rent roll was finally based could not be traced or verified since the employee who prepared this rent roll stated that he had destroyed the work papers on which his figure was based. This is borne out by the fact that in the month of July 1960, the rent roll, as the result of necessary adjustments made in the computed balance was a minus amount. In other words, the adjustments made were more than the total rent roll charges.

The effect of the lack of such fundamental and basic accounting records involved in the handling of thousands of dollars of income should be fairly obvious. The department of the State auditor in its many years of experience has never encountered a similar situation and it intends to explore this area of the BRA records in the next few months.

There are many examples of the generosity of the BRA with its tenants.

In November of 1961 when the BRA took over the Chardon Motor Mart, Inc. a rental charge of $2,500 per month was established and 21 months later in July 1963 this rental charge as a result of successive reductions had reached the amount of $800 per month, and in addition during this period the BRA generously granted to the lessee a reduction of $8,900 in the amount due from him. Based on the original rent of $2,500 a month, the potential income from this one account amounted to $52,500 but as a result of reductions and the abatement mentioned herein, this amount was reduced to $25,900 and on June 30, 1963, there was a balance of $3,200 due from the tenant.

One other account is also worthy of comment. When the Bowdoin Square garage was taken over, the rental on the property was set at $7,000 per month and the original occupant paid this amount for a comparatively brief period. When a new lessee took over the property he insisted that he was able to pay the prevailing rate of $7,000 per month, but, it is interesting to note that when the property was turned over to him the rent was immediately reduced to $4,375 per month. It is worthy of comment that this action was taken with such speed that the adjustment predated the date that the new lessee took over and as a result, the previous operator received $2,085.40 as a refund on the last payment based on his original $7,000 rental payment. It is also interesting to note that this new tenant at the time he vacated the premises owed the BRA $12,760.44 in back rentals and soon after these facts were brought to the attention of a BRA official in connection with this audit this amount was paid in full and it is understood that this payment was obtained by threatening the lessee with cancellation of parking permits that he held on other BRA property.

The board itself must have realized at one time that the situation, with regard to these adjustments, was getting out of hand and as a result on November 29, 1961, the board voted that in the future all reductions in use and occupancy charges in excess of $100 a month would require the approval of the authority.

It may or may not come as a surprise to the authority to learn that in the next 15 months 30 adjustments were made on the approval of the real estate officers each in excess of $100 a month and it is also worthy of comment that 40 adjustments were made in the even amount of $100 and it might be fairly concluded that these reductions were held to that amount to avoid bringing them to the attention of the board.

On December 29, 1959, the authority voted to enter into a contract with Wasserman and Salter providing for the collection of rentals due the BRA from former tenants of the West End project and it is worthy of comment that the authority without amending this contract later also turned over to this collection agency accounts from the Government Center project, the Whitney Street project and the New York Streets project. To give a further example of the confusion encountered in the records of the BRA, attention is directed to the fact that it was impossible to determine from the authority's records how much money this agency actually collected for their services. The original contract limited the amount that Wasserman and Salter could collect under this agreement to $15,000. The confusion results from the fact that although the contract required the contractor to remit all collections to the BRA and then to be reimbursed for his 33⅓ percent fee, in many instances the contractor remitted only the net amount after having deducted his fee. The matter is further complicated by the fact that on May 18, 1960, the authority voted to charge off as uncollectible $80,192.24 in rentals and later $15,050.30 of these items had been collected. In the New York Streets project we were unable to locate any letters of transmittals regarding the collections on overdue accounts. Yet in this instance evidence was located that more than $1,000 had been paid to the collecting agency. In view of the circumstances related herein this matter will be studied further by this office.

On December 1, 1961, a contract was entered into between the BRA and the First Realty Co. of Boston for that company to manage properties at 25 Pemberton Square and 20 Pemberton Square which had been acquired by the BRA as a part of the Government Center project. These same services had been performed previously by this same company on behalf of the prior owners. Compensation under this contract was set up at a rate of 6 percent on rental collections but was not to exceed $1,500 a month plus reimbursement for actual expenses.

This agreement was terminated by the BRA effective April 15, 1963, and it was noted that the contractor had received under this agreement a total of $113,065.20. The reason for terminating this agreement was numerous complaints by tenants regarding heat,

cleanliness, poor elevator service, and continued pilfering from business offices. Another factor in connection with this cancellation was the fact that the tenants' accounts receivables according to BRA records were in arrears in the amount of $18,326.44. A further review of this contract will be made by this department.

7. Maintenance expenses: It must be agreed that in most instances property seized by the BRA for redevelopment is generally in a rundown condition and in need of extensive rehabilitation if the property is to continue to be occupied for an extensive or indefinite period of time. This examination discloses that despite the fact that these seized properties were scheduled for demolition, the BRA expended hundreds of thousands of dollars for major repairs to these buildings, after seizure, before demolition took place. During the period of this audit approximately $1,675,000 was paid to various contractors for the maintenance and major repairs of these properties and in addition, maintenance employees of the agency itself have been paid salaries totaling approximately $188,000. It is remarkable to note that in examining these substantial expenditures, we were unable to find one single instance where this work was done under a contract resulting from competitive bidding; instead the work was done in almost every instance under hundreds of individual work orders placed with certain favored companies.

The attention of the BRA is directed to the provisions of section 8A of chapter 29 of the general laws which requires competitive bidding by any office, department, or undertaking which receives a periodic appropriation from the Commonwealth.

Attention is directed to the fact that the BRA exists only as the result of a statute enacted by the General Court of Massachusetts and that the payment which the Commonwealth makes as its share of the cost of this program does represent a periodic appropriation. While we cannot say with authority that the BRA must follow competitive bidding practices it does seem that the authority in view of the substantial funds involved, should have, on their own initiative, based these expenditures on competitive bidding.

It must also be pointed out at this time that during the course of this audit it was impossible to determine whether or not the services for which these contractors were paid had ever actually been performed for in practically every instance, the building on which the work was done has been demolished. In a few instances the point was made by the BRA that the repairs made had been ordered by building inspectors, fire department and/or elevator inspectors. It is difficult to accept this as a proper reason since the vast majority of the work did not involve any of these three agencies. In those few cases in which these respective agencies were involved, if the recommended work was not done, it could only result in an order to demolish the properties involved.

The favored contractors on some of the work performed were as follows:

(a) Persil Construction Co.: Although a complete audit of payments to this company was not made at this time, a total of more than $126,000 in vouchers for maintenance work was examined. Of this amount, it was determined that $48,000 was spent in the West End area for miscellaneous repairs and in the Government center area, this company received approximately $70,000 for removing rubbish from buildings awaiting demolition. In connection with this rubbish removal, the BRA paid the Fay Photo Service approximately $1,500 for photographs of the rubbish.

Examples of payments made to the Persil Construction Co. are as follows:

1. It was noted that between the period of April 28, 1959, and March 2, 1960, 44 separate work orders were issued to this company for removing rubbish in the West End area and the total payment under these particular work orders amounted to more than $26,000. The attention of the BRA is again directed to the provisions of section 8A of chapter 29 of the general laws which specifically forbids the splitting of contracts in this fashion:

Work order	Amount	Dates	Description
4320	$496.00	Apr. 28 to May 4, 1959	Remove rubbish.
4330	248.00	May 14 to 15, 1959	Do.
4334	558.00	May 18 to 22, 1959	Do.
4346	589.00	June 1 to 5, 1959	Do.
4342	80.30	June 1, 1959	Do.
4339	558.00	May 25 to 29, 1959	Do.
4349	472.75	June 8 to 11, 1959	Do.
4803	620.00	June 12 to 18, 1959	Do.
4810	558.00	June 19 to 25, 1959	Do.
4812	620.00	June 26 to July 2, 1959	Do.
4817	744.00	July 3 to 10, 1959	Do.
4820	620.00	July 13 to 17, 1959	Do.
4823	620.00	July 20 to 24, 1959	Do.
4834	558.00	July 27 to 31, 1959	Do.
4843	620.00	Aug. 3 to 7, 1959	Do.
5373	620.00	Aug. 17 to 21, 1959	Do.
5367	558.00	Aug. 24 to 28, 1959	Do.
5356	620.00	Aug. 10 to 14, 1959	Do.
5377	620.00	Aug. 31 to Sept. 4, 1959	Do.
5397	744.00	Sept. 10 to 17, 1959	Remove trash.
5507	620.00	Sept. 18 to 24, 1959	Do.
5516	682.00	Sept. 28 to Oct. 5, 1959	Clean debris.
5530	$434.00	Oct. 6 to 9, 1959	Clean debris.
5536	496.00	Oct. 13 to 16, 1959	Clean up old newspapers.
5540	720.00	Oct. 19 to 23, 1959	Clean up general area.
5546	844.00	Oct. 26 to Nov. 2, 1959	Clean out cellars.
5759	596.00	Nov. 3 to 6, 1959	Do.
5761	596.00	Nov. 9 to 13, 1959	Clean out rubbish.
5775	844.00	Nov. 16 to 23, 1959	Do.
5783	620.00	Nov. 24 to 30, 1959	Do.
5799	744.00	Dec. 7 to 11, 1959	Do.
6008	744.00	Dec. 14 to 18, 1959	Do.
6012	744.00	Dec. 21 to 24, 1959	Do.
6016	744.00	Dec. 28 to 31, 1959	Do.
6022	868.00	Jan. 4 to 8, 1960	Do.
6030	744.00	Jan. 11 to 15, 1960	Clean out cellars.
6035	744.00	Jan. 18 to 22, 1960	Do.
6039	744.00	Jan. 25 to 29, 1960	Do.
6308	248.00	Feb. 18 and 19, 1960	Clean out rubbish.
6310	372.00	Feb. 23 and 24, 1960	Do.
6312	186.00	Feb. 25 and 26, 1960	Do.
6311	620.00	Feb. 25 and Mar. 2, 1960	Do.
6316	93.00	Mar. 3, 1960	Clean rubbish around church.
6307	868.00	Feb. 15 to 19, 1960	Clean rubbish from cellars.

2. On July 20, 1959, this company under voucher No. 1625 was paid $60.48 to repair marble steps at 50 Poplar Street and again on August 27, 1959, under voucher No. 1789, the same company was paid $69.95 for fixing marble stairs at the same address. The note made on this latter voucher stated that this was not the same step that was fixed on July 20, 1959.

3. Under voucher No. 2119 this company charged the BRA $31.39 to replace one broken glass in a skylight. This voucher included the services of one man and a truck for 3 hours.

4. Under voucher No. 2215 the BRA was charged $23.50 as the cost of removing a board hanging from a window sill by a rope.

5. Under voucher No. 2293 the BRA was charged $168 for boarding up windows in a store on the corner of Allen and Chamber Streets. This voucher included the cost of two carpenters for 8 hours each and a truck for 8 hours.

6. Under voucher No. 1834 the BRA was charged $223.50 for boarding up No. 5 Allen Street and the work involved the services of two carpenters and two helpers for a total of 9 hours per man.

7. Under voucher No. 2037 the BRA was charged $101.45 for filling in a hole in an alley with cement.

8. Under work order No. 5356 this company was paid $620 for removing rubbish and dog stools from certain streets in the West End area.

(b) Robert A. LaCentra Co.: From only a partial examination of the vouchers paid to this company, it was determined that at least $170,000 in work orders had been awarded to this company for plumbing repairs without contract or bid. Invariably on the bills submitted by this company the BRA was charged and paid at the going rate for licensed plumbers and a check of the board of registration of plumbers showed that at least six of the employees of this company are not registered plumbers. We found numerous instances in which this company was paid over and over again for repeat calls to the same location and other instances were noted where other plumbing companies were paid for repair work on the same properties.

Examples of the charges made by this company follow:

1. Under voucher No. 1591 this company was called because of a leak in the roof and as a result, at a cost of $58 the plumbers notified the BRA that the roof needed new flashing. According to the voucher, this determination required 10 hours of work on the part of the plumbers and it is worthy of further comment that a roofer was later paid $42.95 to repair this flashing.

2. Under voucher No. 1591 a store with broken windows was reported to the telephone answering service employed by the Authority and that service called this company and as a result, the plumbers boarded up the broken windows and charged the BRA $34.80.

3. Under voucher No. 311 this company was called to 24 Hale Street on a complaint that there was no water in the building. The BRA was thereupon charged $24.40 to turn the water on.

4. Under voucher No. 460 this company was called to 60 Cornhill Street to repair a leak in the cellar. As a result, the BRA was advised that the main Edison steam valve was leaking and they charged $166.52 for this advice.

5. Under voucher No. 250 the company charged the BRA $338.60 for 3 days work in repairing a leak in the hot water tank.

6. Under voucher No. 300 the BRA was charged $166.17 to replace a defective hot water tank. According to the records submitted, it required the services of two plumbers for 7 hours apiece to install a tank which cost $33.

7. Under voucher No. 361 the BRA was charged $210.29 representing 17 hours of plumbing work to install a hot water tank that cost $58.60.

8. Under voucher No. 460 the company charged the BRA $119.96 to repair six radia-

tor vents and according to the voucher it required 13 hours of plumbing work and a truck for 1 hour to perform this service.

9. Under voucher No. 1335 it cost the BRA $54.31 to repair the ball cock in a flush toilet. According to the voucher, this work required 7 hours of plumbing work.

10. Under voucher No. 460 this company installed new piping from cellar to the top floor in a building at Norman Street at a cost of $305.24. It is worthy of comment that there was only one apartment in the building which remained occupied at the time these repairs were made.

11. Inspectors from the Boston Fire Department notified the BRA that they would be required to either repair the boilers or install a dry fire alarm system at the Leopold Morse Building, 137 Washington Street. The LaCentra Co. was retained without bids to install such a dry system at a cost of $3,739.70 and it is worthy of comment that repairs to this same system later cost the BRA an additional $2,442.56 and the major part of these later expenses were paid to the LaCentra Co. Attention is further directed to the fact that this building was vacant from the date of BRA taking to the date of this audit with the exception of a temporary rental of $300 per month for 3 months or a total income of $900.

The following is a partial list of orders given to the LaCentra Co. from July 23, 1958, to June 24, 1959:

Voucher No.	Dates	Amount	Description	Voucher No.	Dates	Amount	Description
270	July 23 to Aug. 11, 1958	$487.15	Plumbing repairs.	886	Jan. 20 to 29, 1959	$3,349.82	Plumbing repairs.
203	June 30 to July 8, 1958	495.36	Do.	938	Jan. 30 to Feb. 16, 1959	3,661.44	Do.
297	July 31 to Aug. 26, 1958	888.00	Do.	954	Feb. 13 to 26, 1959	2,650.05	Do.
320	Aug. 26 to Sept. 12, 1958	1,276.67	Do.	986	Feb. 24 to Mar. 3, 1959	1,387.47	Do.
396	Sept. 10 to Sept. 24, 1958	1,133.67	Do.	1035	Mar. 9 to 20, 1959	1,047.88	Do.
439	Sept. 24 to Oct. 7, 1958	1,648.70	Do.	1062	Mar. 20 to 26, 1959	509.11	Do.
494	Oct. 7 to Oct. 21, 1958	1,656.89	Do.	1004	Mar. 3 to 11, 1959	972.65	Do.
525	Oct. 21 to Nov. 3, 1958	1,030.23	Do.	1089	Mar. 28 to Apr. 1, 1959	849.76	Do.
572	Oct. 29 to Nov. 4, 1958	908.63	Do.	1141	Mar. 31 to Apr. 7, 1959	456.20	Do.
612	Nov. 3 to Nov. 12, 1958	984.26	Do.	1166	Apr. 6 to 15, 1959	905.54	Do.
616	Nov. 10 to Dec. 2, 1958	2,966.60	Do.	1207	Apr. 13 to 30, 1959	1,345.51	Do.
694	Dec. 2 to Dec. 19, 1958	4,205.19	Do.	1257	Apr. 29 to May 6, 1959	621.33	Do.
743	Dec. 16 to Dec. 27, 1958	4,634.89	Do.	1292	May 5 to 20, 1959	1,183.14	Do.
782	Dec. 27 to Jan. 6, 1959	4,037.63	Do.	1391	June 2 to 10, 1959	644.94	Do.
816	Jan. 6 to Jan. 9, 1959	2,902.41	Do.	1422	June 10 to 15, 1959	287.17	Do.
839	Jan. 2 to Jan. 20, 1959	3,942.99	Do.	1463	June 16 to 24, 1959	645.90	Do.

(c) J. M. McCusker Co., Inc.: A partial examination of vouchers on the West End project indicates that this company received more than $60,000 exclusively for plumbing work.

(d) Consolidated Elevator Co.: Shortly after the Government area was taken over by the BRA, elevator inspectors examined all of the elevators in the area and as a result of their inspection many of the freight and passenger elevators in the district were adjudged dangerous, and ordered to be repaired. It is difficult to understand how all of these elevators should have become dangerous to operate in the brief time they were under the control of the BRA. The question naturally arises as to why they had not been inspected and declared dangerous when they were privately owned.

As a result of these findings, the BRA employed the services of the Consolidated Elevator Co. and to the date of this audit, this company was paid $48,000 for putting these elevators into a safe operating condition.

(e) General: The following additional questionable items were noted in connection with a test check of maintenance vouchers paid by the BRA:

1. Under voucher No. 1462 a company was paid $44.25 for services performed on June 11, 1959, in fixing a reset button on an oil burner.

2. Under work order No. 4778 a company was paid $38.80 including overtime to repair a door buzzer.

3. An electric company under voucher No. 299 was paid $751.36 principally for replacing sockets and switches in the West End area and included in these charges was $10.62 for repairing a broken chain on a pull switch and in another instance, a charge of $15.52 was made for the same type of service. This company also collected $310.22 for other work of the same general nature in the West End area.

4. An electrical contractor was paid $280.70 under voucher No. 123, $308.87 under voucher No. 199, and $206.32 under voucher No. 388 principally for the replacement of sockets and switches again in the West End project.

5. A general contractor was paid $1,372 under four separate work orders for cleaning debris in the West End area. This payment is mentioned only because the work orders involved specifically stated that the contractor would supply only a truck and driver and the BRA maintenance men were supposed to do the actual loading. Under each one of these work orders, despite these specifications the contractor was paid for three men and a truck.

6. On a building located at 27 Haymarket Square, the Malden Equipment Co. removed the flashing before the building had been turned over for demolition and leaks resulted. In the period between August 29, 1962, and September 5, 1962, repairs were ordered by the BRA at a cost of $452.21. It is worthy of comment that according to available records this building was vacant at the time, and released for demolition on October 18, 1962.

7. During the entire winter of 1961–62 tenants at 27 Haymarket Square had complained almost continuously with regard to the lack of adequate heat in the building. Finally, under a contract dated March 13, 1962, a new oil burner was installed at a cost of $2,844.90. This occurred at about the end of the heating season and the building as noted above was vacant in September and released for demolition on October 18, 1962.

8. On June 20, 1959, a company was called as the result of a complaint that water was heard running in a building at 15 Allen Street. It is interesting to note that this company was paid $19.50 for services performed which involved turning off a faucet which had been left running.

9. Rental of parking areas: A statement released by the BRA on January 14, 1963, included the following statement:

"The authority is realizing close to $100,000 a year in revenue from the use of cleared land for parking which was not previously used for parking purposes. However, the primary concern of the redevelopment authority has been the public interest in providing needed parking facilities for the general public and fair treatment for parking space operators who were losing or about to lose their parking lots."

In connection with this area of the activities of the authority, the following is a list of parking lots leased by the BRA as of the date of this audit:

Lessee	Location	Square feet	Car capacity	Monthly charge	Monthly charge per vehicle area
Cambridge Street Parking Corp.	Cambridge St.	164,400	688	$1,000.00	$1.45
Augustus Mantia	do.	11,799	75	275.00	3.67
John I. Fitzgerald	Lowell St.	15,000	32	25.00	.78
Massachusetts General Hospital	Charles St.	82,357	325	474.30	1.46
Charles River Park "A," Inc.	Parcel 1D—West End	33,120	103	223.56	2.17
Meyer Bros.	Friend St.	7,80¢	46	800.00	17.39
Fitz-Inn Auto Parks	Dock Sq.	15,527	80	4,000.00	50.00
Cosmopolitan Garage	Pitts St.	(1)	100	564.00	5.64
Chardon Motor Mart	Chardon St.	(1)	175	1,200.00	6.86
Solomon Parking	do.	9,271	60	400.00	6.66
Bowdoin Amusement	Scollay Sq.	25,500	124	2,550.00	20.56
Fitz-Inn Auto Parks	do.	25,750	143	2,595.00	18.15
Do.	Pemberton Sq.	10,886	73	1,250.00	17.12
Brattle Co.	Cambridge St. and Somerset St.	29,000	120	2,658.33	22.15

[1] Garage.

It will be noted from the above schedule that the monthly rental charge per vehicle area varies between $0.78 per vehicle area on Lowell Street and $50 per vehicle area in Dock Square, but it must also be pointed out that the capacity as listed herein does not represent the actual capacity of these lots and in most cases the operators are parking substantially more cars than the rated capacity. The BRA attempts to justify this wide discrepancy in these rentals to the fact that certain of these lots are more advantageously located than others. It would not seem that this explanation would justify the difference between $50 per car area in Dock Square and $18.15 per car area in Scollay Square.

The BRA has also claimed that these parking areas were awarded to parking lot operators who were formerly site occupants and who had been displaced from their former lots.

Actually the award of these areas does not follow the policy announced by the BRA.

Particular attention is drawn to parcel 1D in the West End project area which has been awarded to the Charles River Park "A" Inc., under an agreement which restricts the lessee to the parking of motor vehicles belonging to tenants of Charles River Park "A" Inc.

It must be emphasized that this area includes 33,120 square feet with a rated capacity of 103 vehicles and the lessee is paying $223.56 per month in rentals. The lessee in turn is charging tenants $12 per month for parking privileges in this area.

Rent for the parking lot on Cambridge Street, which is assigned to Augustus Mantia, was originally set at $400 per month and was later adjusted to $275 as indicated on this schedule. This reduction was ostensibly made as the result of a report submitted by the licensee indicating a decrease in his gross income. It must be noted that during the period in which the licensee claimed a loss in his gross income the parking area in the lot had been increased by the demolition of a building previously standing on it.

At the time the authority initiated the collection of use charges from tenants it was noted that a parking lot on Lowell Street, containing 2,075 square feet with a capacity of 12 cars was paying $25 a month in rent. Later, the area in this lot was expanded to approximately 15,000 square feet with no increase in rental charge.

In connection with these parking lots the following specific comments must be made:

1. The existence of these parking lots represents in itself a reflection on the BRA. These parking areas are located on properties which cost the BRA millions of dollars to take over and to clear.

2. Every day that these parking lots continue represents a substantial loss to the city of Boston in tax revenues for as long as these properties are held by the BRA they are not subject to real estate taxes.

3. The authority's publicized boast of revenues close to a $100,000 a year from parking is hardly an item that the BRA should take credit for. If these lots had been rented under competitive bidding, it is conceivable that this income could have been doubled.

All of the parking permits in effect today should be canceled forthwith and placed on the open market under competitive bidding processes. The authority in renting these areas should also include in their lease a specified amount which the lessee will pay to the city of Boston as a payment in lieu of taxes.

9. Contracts: Financial records of contracts maintained by the BRA are incomplete, missing and operated without basic and fundamental controls.

The department of the state auditor is presently engaged in the compilation of a schedule of all awarded contracts and it will be included in the next audit report. To the date of suspension of this audit a total of 373 contracts had been located involving expenditures of more than $9,583,000.

The following specific comments can be made in connection with BRA contracts:

1. Contracts are not serially numbered which destroys a basic source of control.

2. Contracts were found in the following locations:

(a) 73 Tremont Street.
(b) Engineering office, city hall.
(c) Administrative office, city hall.
(d) Pemberton Square.

3. A complete and reliable listing of contracts could not be made and the following inadequacies were noted:

(a) Contracts were located which according to the minutes of the authority's meetings had never been approved by the board.

(b) Certain contracts approved by the authority could not be located in the various files.

(c) Payments on certain contracts were located but the contract itself could not be found.

(d) In not one single case could we find a certificate of completion on any contract.

(e) Extension of time on contracts was the rule rather than the exception, and in no case was any penalty assessed upon the contractor.

(f) There was no accounting control over payments made on contracts and it was necessary to examine literally thousands of vouchers to locate such payments.

The following items are also deemed worthy of comment:

A. Government center—Engineering survey: On October 24, 1961, proposals from four organizations were opened and the low bid amounted to $18,800. On that same date the chief engineer indicated that he believed that the work should go to the low bidder and he stated the contract should be awarded, "on the basis of $18,800 for the work covered thereunder and not exceeding a maximum of $22,800 should any change orders be necessary."

Immediately thereafter, the low bidder in a letter to the authority stated that their low bid was based on "doing the work in 150 calendar days, we hereby amend our proposal and for the amount of $22,300 we will complete the work in 120 calendar days." This latter proposal was accepted by the authority and 14 days after the date of the contract, the contract was again increased by another $4,000. In February 1962, a further increase of $8,600 was approved and again in September 1962 an additional $750 was authorized. Therefore, the original contract of $18,800 finally amounted to $35,650.

B. Data processing services: A contract dated January 25, 1962, was awarded for certain data processing services and provided for a maximum payment to the contractor of $30,000 with the stipulation that the contract was to be completed in 56 days or on March 12, 1962. As of March 31, 1963, in the course of this examination, it was noted that total payments made to the contractor had amounted to only $10,473.20 and this was more than a year later than the date on which the contract was to have been completed. Under the circumstances, the contractor was contacted by this department and by telephone it was learned that the cost of the contract at that time totaled at least $70,000 and was still increasing. While no explanation was offered by the contractor at that time for this overrun, a letter dated November 21, 1962, from the contractor was located in the files of the BRA which stated in part as follows:

"Our contract with BRA calls for processing information obtained from BRA and the assessor's files and submitting eight printed reports. On the surface, the one sentence description infers a relatively simple task. However, as you know, such is not the case insomuch as there are vast amounts of data, some complete and still more which is incomplete, rife with error and unusable."

C. Renovations—city hall annex: On July 21, 1961, an elaborate and costly contract in the amount of $306,630 was awarded for renovations to the 10th and 11th floors of the city hall annex to provide quarters for the development administrator and his staff. Change orders were later approved in the amount of $39,498.87, making a total adjusted contract amount of $346,128.87. To this must be added the architect's fee which amounted to $42,209 while office furniture raised the cost another $68,301.05 bringing the entire cost to $456,638.92. The city had originally agreed to furnish 20 percent of the total cost but because of extras, it later became necessary for the city to appropriate an additional $6,853.64.

Since this office and its occupants are engaged in supervision over all of the activities of the BRA it is interesting to note the distribution made of the cost of this renovation. All of the office furniture was charged to the Washington Park project while the cost of construction and the architect's fees were distributed over the Washington Park, South End, and Government Center projects.

This in itself is an excellent example of the manner in which the BRA has applied funds under its control.

D. Architectural services—Washington Park: On September 24, 1962, the BRA entered into a contract in the amount of $89,200 for professional services with Carl Koch and Mark J. Waltch to undertake studies and preparation of architectural plans, site plans, preliminary working drawings, specifications, cost estimates, and information relative to financing the development of housing for moderate-income families.

The work of this contract included the Washington Park area which was in the process of redevelopment by the BRA. Attention is directed to the fact that section 14 of this contract specified that the contract came under the provisions of part 2, "Terms of Condition" Housing and Home Finance Agency contract. Section 16 of these "Terms of Conditions" states as follows:

"The contractor covenants that he presently has no interest and shall not acquire any interest in the above-described project area or in any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services thereunder."

Section 17 states: "All of the reports, information, data, etc., prepared or assembled by the contractor under this contract are confidential and the contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the local public agency."

The purpose of these two sections are self-evident and to further strengthen these purposes the redeveloper, under section 906 of his agreement with the BRA, contracts that he will not, "employ in connection with its obligations under this agreement, any person who has participated in the planning or execution of the plan or related project."

Despite the unmistakable intent of these citations, Carl Koch with the connivance and assistance of the BRA administrator was permitted to enter the employ of the redeveloper. In a memorandum dated May 1, 1963, to the authority, the development administrator explains at great length the reasons that he believes that Mr. Koch should be permitted to be hired by the redeveloper but at the same time he indicated that he was bothered by the complication that the so-called conflict-of-interest statute placed upon this transaction.

He therefore canceled the contract with Carl Koch effective April 30, 1963, in order to make his action prior to the effective date of the conflict-of-interest statute despite the fact that the work under this contract was still incomplete as of that date. To further strengthen his position the development administrator then ordered section 906 of the developer's contract, cited previously in this comment, to be deleted from that contract. This appears to have been accomplished by the use of scissors to cut out that section of the redeveloper's contract. Attention is directed to the fact that the efforts of the development administrator to avoid the effects of the conflict-of-interest statute, were of no benefit to the contractor. The administrator had no authority to cancel the existing contract since that power rests only with the authority members. The action of the board members was taken on May 1, 1963, which clearly brings this duality of these contracts under the provisions of chapter 779 of the acts of 1962.

We do not argue the point as to whether or not Mr. Koch's activities represent a so-called conflict of interest but we do state that despite the development administrator's actions, Mr. Koch's employment by the redeveloper is a direct violation of sections 16

and 17 of part 2 of his contract and that the redeveloper's actions in hiring Mr. Koch was a direct violation of section 906 of his contract with the BRA.

By his memorandum of May 1, 1963, the development administrator merely recites his activities to the board and since the steps had already been taken he obviously expected and did receive their approval. The development administrator has in this matter usurped the powers of the authority. It should be basic in an agency of this type that the development administrator should carry out the policies of the redevelopment authority, not that the redevelopment authority should act only after the fact to approve the actions of the development administrator.

Several things stand out in connection with this deal which the redevelopment administrator should be called upon to explain.

1. The work of Messrs. Koch and Waltch was incomplete as of the date on which the contract was canceled and since the entire contract was canceled, the development administrator's explanation of how he legally expects to obtain the final report is worthy of explanation. The original contract was in the amount of $89,200 and of this amount, $31,200 had been paid and an additional $16,000 was owing as of the date of cancellation of which $8,100 is payable upon submission of the final report.

2. In view of the requirements of article 17, section 2, of the contract that the findings of the contractor are to be kept confidential, it does not seem possible that the contractor in performing his duties for the redeveloper can entirely divorce himself of the knowledge he acquired while under contract with the BRA.

3. It is necessary to direct attention to the fact that Mark J. Waltch, who was named in the original contract with the BRA, was until September 1, 1962, vice president of the Beacon Construction Co., which date immediately preceded the date of this contract with the BRA. It is interesting to note that the same Beacon Construction Co. has been retained by the developer of the Washington Park area.

F. Architectural services—West End project: The original plans for the redevelopment of the West End area were prepared when this project was under the supervision of the Boston Housing Authority. When the area was finally assigned to the Charles River Park, Inc., as developers, the corporation engaged the services of Victor Gruen Associates as their architect. Soon thereafter the developer submitted a request to the BRA for a revision of the original redevelopment plan. To this point we have no quarrel with the procedure. However, we find it necessary to seriously object to the fact that the developer proposed that the BRA employ and pay their own architect for the revision of these plans. The BRA did follow the recommendations of the developer and under a contract, dated October 21, 1959, they paid the Victor Gruen Associates $13,500 for a revision of the original plan. Attention is directed to the fact that a contract with Victor Gruen Associates included the same sections 16 and 17 referred to in a previous comment relating to the interest of the contractor and the confidential nature of his findings. Again, we do not refer to this matter in the nature of a conflict of interest as it relates to the laws of the Commonwealth but rather as a violation of the terms of the contract. It would seem that if the developer wanted changes in the original redevelopment plan he should have paid for these alterations himself and refer them only to the BRA for approval.

G. United Community Services of Metropolitan Boston: On March 21, 1962, the authority entered into a contract with UCS which ended on March 1, 1963. The payments made on the basis of this contract were monthly, primarily encompassing charges of a payroll nature plus certain expenses for office supplies, travel expenses, contingencies, and necessary payroll taxes and retirement.

The scope of this contract is to perform services of preparing a program of social welfare services within the boundaries of the Government Center project. The program was set up to give this service to families and individuals for support and relocation from the project area; provide normal, standard social welfare services; screen and ascertain social needs, develop standards and prediction techniques for use in future relocation; provide unforeseen services after relocation; work with other agencies and the authority; and prepare reports which will then be submitted to the authority.

H. Freedom House, Inc.: A contract was drawn between the Boston Redevelopment Authority and the Freedom House, Inc. of Roxbury for community organization service in the Washington Park Urban Renewal area. The period covered under contract was March 1, 1962, to February 28, 1963, and was renewed for an additional year to begin on March 1, 1963. The original payments under contract were computed on a time basis not to exceed $2,250 per calendar month and later changed in the renewed contract to $3,512.50 flat fee per month.

The purpose of the contract is to utilize the assistance of a community organization within the area to establish primary leadership responsibility and carry out jointly with the authority and its authorized representatives public information activities in such a way as to motivate property owners and residents of the project area to understand urban renewal problems and to insure their participation in the urban renewal process. The community organization was also retained to lay the groundwork for the support of people in the area of the urban renewal plan.

I. United South End Settlements: On June 28, 1962, the BRA entered into an agreement with USES for the purpose of advising and assisting the authority in performing its relocation responsibilities under the direction of the BRA. All services performed by USES will be in connection with the South End renewal project and the agreement was to terminate upon completion of the relocation of families and individuals from the Castle Square area, as determined by the authority, but in no event later than April 15, 1963, unless extended by the development administrator.

The total maximum compensation to USES for a 12-month period was not to exceed $91,190. At the time the agreement was drawn, it was possible that the relocation job could be completed within 9 months, in which event the maximum cost would approximate $68,000.

THE NEXT STEP FORWARD

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, I am inserting in the RECORD a speech delivered by me in Boston, Mass., June 14.

It is as follows:

"THE NEXT STEP FORWARD"—SPEECH DELIVERED BY WRIGHT PATMAN, MEMBER OF CONGRESS, BEFORE THE THIRD ANNUAL INTERNATIONAL CONFERENCE FOR CREDIT UNION EXECUTIVES AT BOSTON, MASS., JUNE 14, 1964

President Marin, Managing Director Shipe, my fellow Texans R. C. Morgan, Jim Barry, and Jack Mitchell, ladies and gentlemen, it seems highly appropriate that this conference of credit union leaders from throughout this great Nation should convene here in Boston, which as you well know was the home of Edward A. Filene and the headquarters for credit union development in the 1920's, just 30 years—less 2 days—after the passage of the Federal Credit Union Act. This landmark in legislation passed both Houses of Congress on June 16, 1934, and helped provide the impetus that has carried the credit union movement to the important status in the social and economic structure of our great Nation, which it enjoys today. Since we have returned to the early home of credit unions in the United States, this would appear to be an appropriate time to take stock of what has been achieved and to review the colorful history of credit unions during the past 30 years. I think we will come up with some interesting guidelines which we will find valuable in mapping the future course of credit union development.

Incidentally, I would like to say to all the Bostonians in the audience that besides being the home of the early credit union movement, Boston is also the home of my good friend JOHN W. MCCORMACK, the great Speaker of the House of Representatives. The city of Boston should feel greatly honored that such an outstanding statesman—and fine gentleman—was born and reared here. There is no doubt in my mind that JOHN MCCORMACK will be known as one of the greatest Speakers in the history of the House.

Mr. Filene, you will remember, chose Roy Bergengren in the very early days for the monumental job of organizing and promoting credit unions in the United States. The presence here today of so many managers of the larger credit unions throughout the country testifies to the success Roy Bergengren achieved. It is hard to believe now that for many years the organized movement consisted only of Mr. Bergengren, his faithful secretary, Agnes C. Gartland, and one room in a building at 5 Park Square. Through the Credit Union National Extension Bureau they did their work well, reaching in just 14 years their goal of a nationwide development of credit unions. All this, as you know, was made possible by the generosity and foresight of Mr. Filene, who funded the Credit Union National Extension Bureau to the extent of over a million dollars.

When you look at Mr. Filene's background, you find he was largely a self-taught man. He had planned to go to Harvard, but the illness of his father prevented him from doing so. Instead, he looked after the family store; but he did continue his education on his own. The budding department store executive had a wide-ranging mind; he has written that in the course of his studies he covered questions on banking, business, and labor relations, among others. After some time operating the store on one hand and studying unassisted on the other, Mr. Filene concluded that the intelligent running of a store was a very good substitute for college. He said that shopkeeping may not make a man as learned as a Harvard graduate, but it tends to make him wise in the ways of understanding and helping his fellow man.

But Mr. Filene was not only a philanthropist. Far from it. He was the first to admit that he was a businessman first. When he helped with the organization of credit unions, he acted not just because of a philanthrophic urge to help the poor. He was convinced that in the long run the money he poured into the Credit Union National Extension Bureau would benefit business—not merely his, but business in general. Mr. Filene held to the view that the prosperity of business depended upon the prosperity of the consumer. He contended—and in his time this was an unpopular view—that the average citizen makes markets by: (1) Either directly buying goods at retail, or (2) indirectly by keeping up demand for items whose raw materials come from basic industry.

We all know today how much our Nation's economy depends on the production of consumer goods, and how production of these goods affects the health of basic industries such as steel, chemicals, and rubber. Mr. Filene saw this in 1920. He was one of the rare breed of men who sees answers to problems long before the rest of us. Credit unions, Mr. Filene was convinced, would eliminate usury and encourage the common man to practice the virtues of thrift. As a result, the average citizen would end up with more disposable income, and he would spend it in a manner which would raise his standard of living and that of the entire Nation. In effect, Mr. Filene was trying singlehandedly to create a consumer-oriented economy. Certainly no one would argue with his purpose today.

During the depression years, Mr. Filene pressed for the adoption of reforms that only now are being recognized as necessary. The Area Redevelopment Programs, I am sure, would have won his support. These programs, as you know, are designed to assist economically depressed areas by providing the means for residents of these areas to get jobs and eventually make themselves self-sustaining. The Filene philosophy of giving the consumer the purchasing power he needs would have readily accepted the area redevelopment concept. I might add that credit unions fit into the area redevelopment scheme very nicely by providing citizens of all areas with both a place to save and a ready source of low-cost credit when needed for constructive purposes.

At the end of 1932, Mr. Filene left Boston for a grand inspection tour of credit unions around the country. By that time Mr. Bergengren's work had led to laws in 38 States and the District of Columbia. Although many banks in 1932 had closed their doors, credit unions had not—they were weathering the depression. In city after city, Mr. Filene was greeted by ovations when he spoke at credit union gatherings. Almost overnight he became the personal hero of thousands of people where before he had been just a name.

The next episode in the drama is one in which I take particular personal pride. For Roy Bergengren came to Washington, seeking the approval of Congress for a Federal Credit Union Act. Senator Morris Sheppard, from my hometown of Texarkana, Tex., became the bill's sponsor in the Senate. In the House, I had the pleasure of sponsoring a similar bill. The credit union idea was new to most Members of Congress. But Senator Sheppard and I became enthusiastic about it because we were convinced it was just the thing the citizens of our country needed to put them back on their feet again. For a long time I had been concerned about the problem the average person had when he sought credit. He could not go to a bank and get a loan in the same fashion as a businessman. Or in the event he could get it from a bank, the terms would be so steep he was being exploited even if he could manage it.

Inevitably, the average person—or the "little man," as Roy Bergengren called him—had no choice but to turn to loan sharks, thus submitting himself to the age-old evils of usury. I knew that in my congressional district there were many people who would welcome the opportunity of joining a credit union. There was also a lot to be said for the idea of passing a Federal act to balance State credit union laws. The dual chartering privileges accorded commercial banks, for example, were—and still are—jealously guarded by the banking industry. The theory is that a system of checks and balances is provided financial institutions when they have an opportunity to organize under either Federal or State charters. We thought that credit unions could benefit from having dual chartering powers as well. Once the act was passed, we witnessed a further demonstration of the power of dual chartering. Credit unions began to grow more quickly, and a kind of healthy competition evolved between State and federally chartered credit unions. Today we have the excellent situation in which almost an equal number of credit unions are chartered by State and Federal agencies. I regard this as a healthy situation, and one in which you should all take pride.

Of course, during the spring of 1934, Senator Sheppard, Roy Bergengren, and I had no idea that our work would bring about such outstanding results. All we knew was that the credit union idea was worthy of Federal support. There was testimony delivered on both sides of the Capitol, with Mr. Bergengren of course participating. I believe I was the only Member of either House or Senate to speak on behalf of the House bill when it came up before the House Banking and Currency Committee. I was not then a member of the committee, you see. I became a member in 1937. As the session neared adjournment, the bill still remained locked in the House Banking and Currency Committee. Roy Bergengren and I got to work on the chairman, and it was reported out in the last week of the session. With good fortune and some fast work, we were able to guide it through the House on June 16, just hours before Congress was to adjourn. As soon as the bill passed the House, Mr. Bergengren and I saw to it that it was on the way to the Senate. There Senator Sheppard had cleared the way, and the Senate also approved the bill—the same day the House acted. That day, June 16, was a great one for the credit union movement. Since then, the Federal Credit Union Act has played a major role in the growth and development of credit unions in the United States. It has also stood the test of time and proven to be a workable law with only the need for an occasional sprucing up.

With the passage of the Federal act and the organization of the Credit Union National Association a few months later, Mr. Bergengren closed up shop at 5 Park Square to move to Madison, Wis., where he commenced to preside over a truly national organization.

You might be interested to know that Mr. Filene did not think credit unions should supplant banks. He merely thought that all financial institutions, including banks, could afford to emulate the principles which credit unions made so successful. These principles are that the lender and the borrower have a common interest; that the true purpose of a loan is to bring about the financial improvement of the borrower. He argued that money loaned at too high a cost, or for no good reason, would eventually be money lost. And since this approach worked so well with credit unions, he could see no reason why it shouldn't work for others—including banks.

In reviewing the backgrounds of Filene and Bergengren, you will find that both were down-to-earth men. You might classify them as "realists." When they saw a problem, they sought a realistic solution. Your presence here today testifies to the effectiveness of their work. But, beside being men of action, they were also men of high ideals. Rather than exploiting less well-endowed people, they gave them assistance. It was characteristic of them, too, that they did not expect congratulations. During his tour of 1932, Mr. Filene was hailed as a hero. But that did not affect him. His reaction was to urge Bergengren to redouble his efforts in organizing credit unions. The key phrase in the Filene philosophy was "the next step forward." To Mr. Filene, the past was just history; the future held the promise of success. He was interested only in the next step forward.

It seems to me the leaders of the credit union movement here today would do well to examine this philosophy so well exemplified by Filene and Bergengren. Perhaps it can be applied just as well today. You might ask yourself: What should be the next step forward? Imagine, though, the shock that both Filene and Bergengren would have felt had they encountered the present-day credit union movement. What would those two realists have said when they saw 21,500 credit unions in the United States and thousands more elsewhere; 11,000 of these domestic credit unions functioning with Federal charters; assets of both State and Federal credit unions standing at $8 billion; members totaling over 14 million people? These are impressive figures. What would have been the reaction of the two men I have been telling you about? I think Filene and Bergengren would have been astounded—and pleased. But I can guarantee you that they would have gotten over their astonishment very quickly. And then they would have asked, "What next? Where do we go from here?"

I would like to spend the next few minutes telling you what I personally would like to see you do. The few points I shall make will, I hope, be food for further thought. Since my life has been for many years devoted to legislative matters, I cannot very well give you any insights into the technical operations of credit unions. I can, however, offer you advice as a very interested spectator and firm supporter of credit unions. One item that is close to my heart, as it was close to your founders', is the matter of organizing new credit unions. Next to safeguarding the laws, organizing must take its place as the most important activity of the movement. I know the good a credit union can accomplish. I have seen the Sheppard Federal Credit Union in action since it was founded in 1934. It has a greatly stabilizing effect in Texarkana. And the reason why it is so effective is not hard to find. The Sheppard Federal Credit Union, or any credit union, for that matter, is a remarkably effective instrument for relieving the financial burden of its members, no matter what his walk of life may be. The average citizen is naturally concerned about his ability to meet major expenses that crop up unexpectedly. If he is a member of a credit union, he is comforted in the knowledge that his credit union stands ready to help through extension of a low-cost loan or a share account which has been built up over the years. For this reason, I urge you to set as your goal access to a credit union for every person in the United States. Every American is entitled to the economic security a credit union can offer. Then shouldn't everyone have one he can join? Now if he chooses not to join, that is another matter. But he should at least have the opportunity.

The fact that there are now more than 21,000 credit unions attests to the viability of the idea and to your skills at organization. I urge you to apply these with renewed vigor. While you do so, do not be surprised to find your competitors carping at you. This is bound to happen if you become increasingly successful in serving people. In fact, if you do not hear cries of pain from others, you will know you have fallen down on the job. You might, in your organizing drives, take note of the programs being developed by President Johnson to help the poor. The President is showing us that a road is open to help these people. Might not credit union leaders also find a path to the poor? The impetus for such an exercise in growth must come from you, who represent the strength of the movement. And you are inspired, I am sure, by the memories all of you must have of your own small credit union 5, 10 or 15 years ago. The credit unions you assist today will be the million-dollar credit unions of tomorrow.

Now I shall turn to something with which I am very familiar—legislation and its importance to you. The goal uppermost in the mind of Roy Bergengren during the 1920's was to "get the laws," as he put it. By now, everyone in this room should know why he placed such emphasis on legislation. You have seen recently the injury and potential injury that can be inflicted through attacks on credit union acts in the various States. The credit union statute, whether State or Federal, is the heart of the credit union movement. Bergengren knew this, as he took on the massive job of initiating bills in over 40 States. But once the laws became effective, and operative, there may have been a tendency in the credit union movement to ignore their continuing importance. This attitude may be all right if there are no competitors waiting to slice up the statutes. Now, however, when there is such a danger, you cannot afford the luxury of taking the laws for granted. You must guard them very jealously.

Up to now, there have not been any overt attempts to alter the Federal act by unfriendly interests as there have been in the States. This fact might lead those of you who operate Federal credit unions to shrug your shoulders and assume that there is no need to worry about the Federal act because only State laws have been attacked. On the other hand, the same fact could lead those of you connected with State-chartered credit unions to say what happens on the Federal level does not affect you. You might say that your hands are full in dealing with State legislative matters, and that you do not have the time to be concerned with Federal affairs. Well, I submit to you that both of these attitudes are wrong. First of all, Federal credit unions cannot be complacent about the safety of their law any longer. We all have reason to know that hostile forces are now standing in the wings waiting for what they consider a proper time to sponsor restrictive changes in the Federal act. It is your fate that when you grow and prosper, you come to the attention of more and more people who are jealous of what you have achieved, or covet what you own.

This brings me to the second point. If Federal credit unions must keep a vigil on legislative developments in Congress so, too, must State-chartered credit unions. Let me give you an example. Suppose you were in my position as chairman of the Banking and Currency Committee. As chairman, I see all legislation directly affecting financial institutions. All legislation amending the Federal Credit Union Act passes through my committee. It would seem, then, that credit union leaders need be concerned only about the views of the members of my committee. This, however, is true only to a point. For other committees can also take actions affecting credit unions. And one committee—Ways and Means—has the power to change the tax status of credit unions. In this case, no distinction would be made between Federal- or State-chartered credit unions. I am sure you are aware that year after year testimony is given before the Ways and Means Committee to the effect that the tax-exempt status of credit unions should be terminated. Here is another committee, then, with great power over the future of credit unions, that bears close watching. I am not saying that the members of the committee are opposed to credit unions. I know many members support them, but these men are faced with the problem of raising revenue—and they weigh carefully all potential sources. Therefore, they will, from time to time, examine your status, and it is at these times that you must be ready to show that you still qualify for this status, whether you operate under a State or Federal charter.

The point of all this is merely that the security of all credit unions depends to a great extent—perhaps greater than you have realized—on the events that take place in Washington. The time to do something about this is now, before the anti-credit-union pressures here build up a full head of steam. Don't disengage yourselves from the realities of legislation. I have long said that credit union people tend to take for granted their success in legislative matters. But the day of easy success has come to a close. Constructive achievement both in Washington and in most State legislatures will result only from wise planning, efficient organization and thorough preparation. Run scared and take nothing for granted.

I understand that studies are now underway to determine the advisability of share insurance. The program under consideration would be mandatory for Federal credit unions and optional for State-chartered credit unions. It would mean, too, that the agency which would administer the program would have some supervisory powers. Therefore, State-chartered credit unions would be subject to Federal regulation for the first time. The same can be said for the idea of developing a workable national fund, under Federal auspices, to provide a source of liquidity for member credit unions. Once again, you should bear in mind this would entail Federal relationships for all participating credit unions. These are some of the obvious reasons why you should maintain an acute interest in the activities in Washington, even when things are going smoothly. I would like to commend CUNA for its foresight in recently expanding its Washington office to allow for greater concentration on Federal matters. I applaud this action and ask you to support it if you have had reservations about it in the past. The only way to be effective in Washington is to be there, and to make yourselves known to your Representatives and Senators. In most cases, they will be glad to hear from you. There may come a time, too, when you will be glad to have an acquaintance with them.

Once you have accepted the fact that Federal activity can affect you all, I would hope you will then be led to a desire to participate in the formulation of a program to safeguard and strengthen your position in this competitive environment. This is a time-consuming and never-ending task, but it can be expedited by persons willing to devote time and thought to the necessary spadework that has to be done. I would urge you to get out and work on the legislative programs as CUNA develops them. Not only will CUNA benefit from your advice, but you will be made aware of the problems and difficulties which face any legislative program. Should trouble occur later on, you would then be fully prepared for action.

You are very fortunate to have excellent representation in Washington through Dave Weinberg and his associate, John Rippey. I have been pleased to work closely with them and have always found them very helpful and cooperative. They are doing everything that can be done to strengthen the credit union movement in the Nation's Capital.

I wish it were possible for Filene and Bergengren to be called on now for their advice. We suffer a great loss by not having them with us any more. At the same time, though, being practical men, I am sure they would not dwell too much on the past. They would look to the future. Mr. Filene might tell us to go out and organize new credit unions. Perhaps Mr. Bergengren would add, "Don't forget the laws." Well, that is my message to you here today. I hope the tradition left to you by Filene and Bergengren will become the guide and the inspiration for your future work.

THE PRESIDENT'S SECRET DRAFT STUDY—A NEW COVERUP?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 30 minutes.

Mr. CURTIS. Mr. Speaker, I am sure I speak for many Members on both sides of the aisle when I congratulate President Johnson for his announcement on April 18 of a thorough study of the Nation's military manpower requirements and the draft. Those of us who have shared a long interest in this vital problem are delighted that the President has decided to join us in calling for a study, which hopefully will lead to substantial revisions in our military manpower programs.

But, Mr. Speaker, however much I applaud the President's action, I must confess that I have become a little disturbed at what appears to be the procedure of the executive branch in dealing with this question.

The New York Times of January 6, 1964, carries a story by Jack Raymond with the headline "Draft Overhaul Being Considered." Mr. Raymond there reports an exchange of letters between President Kennedy and Mr. James G. Patton, head of the National Farmers Union. Mr. Patton, according to this article, inquired of President Kennedy:

> Isn't it about time for a thoroughgoing reappraisal of our military manpower problem?

To this Mr. Kennedy is reported to have replied that it was "especially important" to survey the problem again because "the growing pool of eligible manpower is far in excess of the needs of the armed services, short of a national emergency."

Apparently such a survey of the problem was then initiated, for in another story by Mr. Raymond, this one dated March 13, 1964, we learn:

> The Pentagon on President Kennedy's instructions last summer, undertook a study of the draft provisions with an eye to possible major revisions by 1967.

And in the January 6 story referred to, Mr. Raymond says:

> Studies have been undertaken on all aspects of conscription, including its possible abandonment. They are directed by William Gorham, a Deputy Assistant Secretary of Defense for Manpower. Mr. Gorham was in charge of the studies that were prepared for President Kennedy last September, when the President halted the draft of married men by giving them deferred status.

Thus, as of March 13, 1964, it was well known that studies had been underway in the executive branch for at least 6 months and presumably longer; that they were under the supervision of Deputy Assistant Secretary Gorham; and that they were aimed at major revision of the present system by 1967.

Meanwhile there had been considerable activity in Congress. On January 16, 1964, the distinguished junior Senator from New York, Mr. KEATING, introduced a bill to create a Presidential Commission on the Administration of the Universal Military Training and Service Act. At that time he was joined in cosponsorship by 11 Senators from both parties. Since then I understand 19 other Senators have requested that they be also listed as cosponsors.

In the House, three of my distinguished colleagues, the gentlemen from New York

[Mr. LINDSAY, Mr. BARRY, and Mr. HALPERN], introduced bills quite similar or identical to the Keating bill on March 3. On March 11, I introduced my own bill, H.R. 10395, which would create a special Joint Committee of Congress on American Manpower and National Security. By that time it was apparent that interest was rising in Congress for some kind of action toward correcting the defects of the present draft centered system.

Then on April 18, in his Saturday press conference, President Johnson announced that he had on that day "drafted and approved the plans for a very comprehensive study of the draft system and of related manpower policies" submitted to him by the Secretary of Defense.

According to the President, this study, to be directed by unnamed persons in the Defense Department, would last for 1 year, and would be, in his words, "a most comprehensive study of the decade of the 1970's."

The question in my mind, Mr. Speaker, is this: If we have had a study of this question for at least 7 months already by the Defense Department, aimed at changing the draft by 1967, why must we now have another study for another year, by the same Defense Department, aimed at changing the draft by 1970? What is this business of piling study upon study? What has become of the study that the American taxpayer has already financed for 7 months, and whose results we have so eagerly awaited?

Can it be true, as Mr. Raymond drily observes in the New York Times of April 19, 1964, that "The review will apparently supplant one that has been underway at the Pentagon during the last year"?

What assurance do we have that the result of this new study, scheduled for completion in April 1965 will not be a recommendation for a further 2-year study, aimed at ending the draft in the decade of the 1980's? This question has been pushed aside far too long already. Let us hope that it is not being covered up again by an interminable succession of Defense Department studies, each one prolonged in the hope that Congress and the American people will forget the vital importance of correcting the grave and numerous defects of the draft system.

But I do not wish to dwell on the possibility that the announcement of this new study is designed to quiet the clamorings of Congress and the people. I am far more concerned that this study, which I am sure the President hopes will be the only study of the matter, is to be undertaken by the Department of Defense, with the solicited advice of various other Government agencies, and behind closed doors.

Mr. Speaker, a comprehensive study of the draft system is a responsibility that falls squarely on the shoulders of Congress. The draft is not just a technical question of military policy, like the percentage of our bombers to be kept on air alert or the deployment of our fleet units. The draft is an institution—let us hope not a permanent one—which has a pervasive effect in our society. The draft reaches into the life of every young man, and through him to his parents, wife, children, or sweetheart. The draft is a subtle factor influencing the national marriage rate and consequently the birth rate. The draft is a serious and obvious factor in youth unemployment. All these facts were brought out by the gentleman from Ohio [Mr. TAFT] and the gentleman from Minnesota [Mr. QUIE] on the floor of this House on April 21.

Because the draft reaches so deeply into the stream of everyday life, its regulation and review naturally becomes the lot of the Representatives of the people in Congress. The distinguished chairman of the Armed Service Committee of the other body, Mr. RUSSELL, during debate on the extension of the draft in 1959, said:

> It has seemed to me, and it has appeared to the committee, that the subject matter—
>
> Meaning the study of the draft—
>
> is within the responsibility of Congress, and that Congress cannot dodge or eliminate that responsibility by creating an outside commission.

It will be recalled that when he spoke in 1959 there was a heated debate between a Democratic Congress and a Republican President over the size of the Armed Forces. Thus when a Republican Senator, the late Mr. Case of South Dakota, proposed a Presidential Commission To Study the Draft, the Democratic leadership was very candid in its opposition.

Noting the disagreement between the President and Congress on the size of the Armed Forces, Senator RUSSELL remarks of the Case proposal:

> Now it is proposed that the Congress, which has taken one position on the matter, authorize the executive branch to appoint a commission with congressional sanction. It would be a commission which the Executive would name. It is highly unlikely that the executive branch would name a commission that would support the Congress and would fail to support the executive branch. * * * Congress has a responsibility. It will not escape it by giving to the executive department the power to appoint a commission to review the matter. Is the President likely to appoint a commission which will support the view of Congress and will be somewhat critical of his position? Or will it not be more likely to sustain the views of the President? It is about time we got away from attempting to meet every problem by the appointment of a commission. Someday we will be overtaken by the problems.

The present majority leader, Senator MANSFIELD, concurred with the Senator from Georiga:

> It appears that one of the ways we have of avoiding issues is the creation of commissions. The President is very good at the appointment of commissions.

Mr. Speaker, if these distinguished leaders of the majority party in the other body are unwilling to place their trust, and that of the American people, in an independent commission appointed by the President, on the ground that such a commission would not uncover facts or reach conclusions that might be prejudicial to the executive branch how can they acquiesce in a move by the President to initiate a study of the very same subject not even by an independent commission, but by a subordinate agency paid by and directly responsible to the head of the executive branch? No: the responsibility for reviewing and improving the Nation's military manpower unalterably lies here in Congress. To permit the President to exercise this responsibility would be for us a breach of trust with those millions of Americans we represent, whose lives and liberty depend on our military system, and into whose lives the long arm of the draft necessarily reaches.

In his announcement of the new study of the draft, President Johnson, in reply to a question, stated that the policy will be submitted by the Secretary of Defense and will be made by them with other agencies of the Government, like the draft agency and the Labor Department and other related agencies that have an interest in it. I am happy that the President recognizes the important tie-in of the draft system with our education, labor, and employment policies. But my experience in Washington leads me to fear that any policy submitted by the Department of Defense, regardless of how much consultation occurs with other affected agencies, will be a policy in which every dispute has been settled in favor of the Department of Defense. This means that the very important considerations being on the draft that normally fall within the purview of the Departments of Labor and of Health, Education, and Welfare, just to name two, will be downgraded to the Defense Department's interests.

Remember, this is not a full-fledged interagency committee. According to the President, the policy will be submitted by the Defense Department. It is only natural that such a policy will reflect its preference over those of other agencies. In fact, I have information to the effect that the Defense Department within the last few months has exerted pressure to stop an independent study of the draft then underway in another major agency. Speaking of an independent commission in 1959, Senator RUSSELL said:

> Usually we end up getting the same recommendations from the commissions that we have had from the Department of Defense on the same subject. It is really a new way of asking for the views of the Department of Defense.

But we are not even talking now about an independent commission, about which Senator RUSSELL was then so skeptical. We are not even talking about a genuine interagency committee, directly subordinate to the President. We are talking about a pseudo-interagency committee which is almost certain to present nothing incompatible with the views of its principal member.

Is it reasonable to suppose that this kind of study group would be any more likely to produce independent conclusions than the independent commission in which Senator RUSSELL had so little faith? On the contrary; the report we will get, assuming that the executive branch is serious about this new study, will be the report of the Department of Defense, embellished by a few innocuous recommendations of the Departments of Labor, HEW, and so forth. In short, the important education and labor aspects

of the draft system will be neglected in favor of the purely military aspects.

But my objection to a study conducted principally by the Department of Defense is not based solely on its likely neglect of the education and labor aspects involved. I have a very great fear that the Department of Defense will either ignore completely or will refuse to communicate to Congress, and the public, information that would not redound to the benefit of the Defense Department and its creature, the Selective Service System. Let me give some possible examples.

First. For some years now I have earnestly advocated a revision of the military system to permit a great deal of specialized training to be undertaken not by military personnel but by civilian specialists. Clearly, if these functions were removed from the military aegis, the military would decrease in size and influence. To make it worse, the decrease might alter the precarious balance between Army, Navy, and Air Force, a balance threatened every year when the services appear before Congress seeking increased appropriations and vast new systems. Now how much consideration will the Defense Department give, in the face of the severe pressures that will inevitably be exerted by the three branches, to this kind of proposal? Merely to ask such a question is to answer it. An in-house study will not venture to suggest any changes that would reduce or redistribute the numbers of prestiges of the Armed Forces.

Second. Every man who has ever served in the peacetime Army is well aware of the staggering amount of featherbedding and goldbricking that goes on. It is practically a maxim that if a job can reasonably be done by two men in 4 hours, it will require six men for 8 hours. How can the Army afford to spare all these unnecessary men for this featherbedding? Precisely because the men are unnecessary. They are kept in the Army not because they have any real function, but because discharging them all would so reduce the size of the Army that Congress would start to think about ending the draft.

For a decade now it has been Defense Department policy that jobs which can be equally well handled by civilians are to be contracted out to the private sector of the economy. Commissary, post exchange, and trash-removal jobs are obvious examples. Could even more jobs be farmed out to private enterprise, with the inevitable savings due to the increased efficiency of the private sector? Quite possibly, and a conscientious study of the question would provide us with the facts for a reasoned judgment. But we will not get those facts from a Defense Department study because to produce them would require the Defense Department to embarrass itself and the President.

Third. It has been candidly admitted by Army recruiting sergeants, in private conversation, that beyond a certain point they are quietly advised "from above" that they are not to recruit any more young men, even if more young men are eager to enlist. Why? Because if Army recruiting figures showed how easy it is for the Army to meet its force levels through voluntary enlistments, Congress would review the necessity of the draft. Will the Defense Department call 20 recruiting sergeants to testify under oath about this practice, so that the facts can be made public? Of course not. The American people will never get the facts on this unless Congress, using its power to investigate for legislative purposes, puts recruiters on the witness stand under oath.

Fourth. In the course of discussing the draft on this floor, April 21, the gentleman from Kansas [Mr. ELLSWORTH] and the gentleman from Massachusetts [Mr. MORSE] discussed the serious problem of the evasion mentality. This is the attitude among a growing number of our young men that it is right to avoid in any way they can service to their country. On that occasion the gentleman from Kansas observed:

> A system that permits every other young man to escape must inevitably produce the evasion mentality. Such a system may in the short run provide the warm bodies required by the army. But we must look ahead at the long term implications. Necessarily this system is unfair. Necessarily it must be detrimental to the cherished American tradition of duty to country.

It is clear to me, as it was to the gentlemen from Kansas and Massachusetts, that the military draft is a major contributing factor to the evasion mentality in America today. Magazine articles, particularly one in Parade on January 19, 1964, and one in U.S. News & World Report of January 27, 1964, have given evidence of this. But to really plumb the depths of this serious problem, Congress should invite young men to testify on a confidential basis as to their attitudes toward the draft and their efforts to avoid it. Will an in-house study by the Defense Department illuminate this important area of our national life? I am certain it will not.

Fifth. Americans are apparently unaware of the extent to which their young men are being channeled into occupations by the Federal Government, through its manipulation of the selective service authority. General Hershey has been commendably candid about this. Last spring he told the House Armed Services Committee:

> The law makes possible the channeling of our registrants into training for and participation in professions and occupations which contribute to the measures taken for our common defense by segments of our manpower in civilian activities. * * * For the last 20 years the Selective Service System has been what we call a channeler. That is, we have channeled people into training for professions and occupations that were said to be very necessary for national life, and once they had finished it, we have continued to defer them if they are engaged with contractors and other people who are producing things for the Armed Forces. * * * The deferment is the carrot that we have used to try to get individuals into occupations and professions that are said by those in charge of Government to be the necessary ones.

In the course of his remarks of April 21, the gentleman from New York [Mr. LINDSAY] called attention to this practice, saying:

> Thus, in the name of national security and government interest, the future course of emphasis in our society may be changed by the state, indeed by the military apparatus.

In my judgment, the gentleman from New York [Mr. LINDSAY] has placed his finger on an extremely serious point. Despite General Hershey's candor, can we expect the Defense Department to provide us with a complete report on how the Federal Government pushes our young men into certain occupations and away from others?

Mr. Speaker, I fail to see how this aspect of our draft system differs from that of Soviet Russia, except that in place of their tight liquidation for recalcitrants, our Government substitutes only 2 years of forced labor. It is high time Congress found out the full facts on practices such as this; we cannot expect the Defense Department to do it for us.

I have given five reasons why Congress and the American people cannot expect to get the full facts from any study conducted wholly within the executive branch of the Government. There is also the converse problem. If the executive branch conducts its own study in place of a study by Congress, the public will have no chance to share their views with the investigators.

Policy decisions such as whether or not to build a new carrier with nuclear or conventional power, or whether or not an improved manned interceptor is a worthwhile investment, are necessarily decisions that cannot be made by referendum. They require serious analysis by experts in the executive branch, in Congress, and in professional circles. But although the draft is partly a technical problem, it is also an institution that is inextricably interwoven into our social and economic life as a Nation.

Three years ago the President proposed to make foreign aid essentially a technical problem for its expert determination by having Congress authorize back-door Treasury borrowing in place of our annual review. Congress wisely refused. Foreign aid may have a claim on our tax dollar, but it is far less of an imposition on the American people than is the draft. If Congress refused to let the executive preempt the foreign aid field, how can it now assent to the executive branch's proposal to preempt the question of the draft from the area of public concern? The public, who must bear the very direct and substantial burdens of the draft, must be given the chance to voice its views. The public expects its representatives in Congress to safeguard that great right. We must not consent to a practice that destroys it.

There is in my mind, too, a grave question of the propriety of a supposedly impartial study conducted by the agency with the greatest possible vested interest in the subject matter. Would we permit the Department of Agriculture to write our committee reports on the farm program? Would we permit the Department of Labor to prescribe a solution to our labor-management problems? Yet,

here we are acquiescing in a proposal to vest Congress solemn responsibility to oversee the draft in the Department of Defense. What choices will the Department of Defense present to us for our choice? If past practice is any indication, there will be two and only two: First, abolish the draft, watch the Army shrink to inutility, watch our allies capitulate to communism as a result of our irresolution, and wait for the moment—not far away—in which America will be forced to choose between Red or dead; or second, retain the draft in its present form; let the Selective Service System take care of a few minor adjustments, and mind our own business.

The Defense Department and the Selective Service System have repeatedly refused to discuss the possibility of instituting a true professional Army system, which attracts young men because of increased incentives and new opportunity instead of dragging them in through the coercion of the draft. The distinguished junior Senator from Arizona, Mr. GOLDWATER, himself a major general in the Reserves, has long advocated moving toward such a system. But, for some of the reasons I have already mentioned, the Defense Department has refused to consider this very attractive possibility. Instead, it permits us only this unrealistic either-or choice which is not only deception, but an affront to the American people who have so long and bravely borne the high cost of preserving our freedom in this dangerous world.

Mr. Speaker, in my judgment the conclusion is clear. If Congress is to discharge its rightful responsibility to the American people in this crucial area, it must conduct its own study with neither fear nor favor, looking into every area, exploring every new concept, testing every reasonable hypothesis, and inviting the participation of the American people from whose hands we have accepted the duty of providing for the common defense.

On Tuesday an editorial appeared in the New York Times of June 23, 1964, calling for a professional Army system, in which military service is made so attractive that young men join from opportunity instead of coercion.

The Times urged the Pentagon to consider such a system in their present draft study, and agreed that a study is much needed. But the Times then added an important caveat. Noting that the draft affects directly and indirectly so many aspects of our society, the Times stated that the current Pentagon study should not be the final product, but only the groundwork for—and I quote—"a far broader, more comprehensive and—most important—more detached survey by either a Presidential commission or a joint committee of Congress."

This is precisely what I have been saying for several months now, and I am delighted that the Times should take this editorial position.

The editorial, to which I referred, follows:

MILITARY MANPOWER STUDY

The broadening of the Pentagon's study of the draft coincided yesterday with the 20th anniversary of the GI bill of rights.

The two are not unrelated. The Servicemen's Aid Act, passed while the Nation was still engaged in World War II, helped the Nation as well as the veterans. It contributed to a more stable, more productive America by helping to build almost 6 million homes and to send more than 2 million former GI's to college.

Some of the features of this act can well provide patterns for tomorrow as possible inducements to military professionalism if the Nation decides it can safely eliminate the compulsion of the draft. These inducements, plus many other suggestions for improving the rate of voluntary enlistments and for retaining qualified men in military careers, should be considered by the Pentagon in what it projects as the most thorough study of the draft and related problem ever attempted.

This study is much needed. But one caveat requires reemphasis. The draft and the recruiting of military manpower affect, directly and indirectly, so many aspects of our society that a Pentagon study should serve only as groundwork for a far broader, more comprehensive and—most important—more detached, survey by either a Presidential commission or a joint committee of Congress.

The bill I have introduced recognizes that the question of the draft is primarily a congressional responsibility. It recognizes, too, that the subject matter we are dealing with cuts across the traditional lines of committee jurisdiction. It spells out a number of aspects of military manpower procurement, training, and utilization that are to be studied, and it provides for full and open public hearings.

My bill would create a special ad hoc Joint Committee of Congress on American Manpower and National Security. The committee would be composed of a majority and a miniorty member of the Armed Services and Education and Labor Committees of both Houses—making eight—and four at-large members, two each appointed by the presiding officers of each House. The committee would have the authority to study, investigate, and recommend, but it would not have the power to report legislation to the House or Senate. The committee would be limited by statute to a 2-year existence.

The creation of this committee, Mr. Speaker, is not only the sensible way to meet this problem, but it is the right way. This committee will guarantee that all the facts are brought to light. It will necessarily give due weight to the education and labor aspects of the problem, as well as to the military. It will keep the responsibility where it belongs—here in the Congress. It will give the American people a chance to have their say. And it will be bound by law to produce its final report within 2 years—which means, if the bill is acted upon promptly, that Congress would have possession of all the facts needed to make major revisions of the present draft-centered system not in 1970, after two more national elections, but in 1967, when the present draft law expires. The gentleman from New York [Mr. OSTERTAG] has already introduced a similar bill. I hope others will join with us in getting to the heart of this serious matter before the present session of Congress is over.

WELCOME TO LEWES, DEL.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Delaware [Mr. MCDOWELL] is recognized for 10 minutes.

Mr. MCDOWELL. Mr. Speaker, it is again my privilege and my pleasure to invite the Members of Congress to visit historic Lewes, Del., on July 11, when the townspeople, and Delawareans, as a whole, will mark the blockade and bombardment of Lewes by the British fleet in 1813.

We hope you will all come and bring your families, and urge your friends to come. We will do all within our power to make you feel welcome and at home.

Because of the settlement of the Dutch colonists in Lewes in 1631 under the great Dutch Patroon de Vries, Lewes is to Delaware what Plymouth is to Massachusetts, and Jamestown is to Virginia. Lewes has been a seat of colonial and county government under four flags. Here a part remains of other eras and other times which are a refreshing and restful contrast to our own restless and go-getter age.

Lewes is the site of the oldest settlement within the Delaware River region, and was known to Dutch traders and adventurers from the time of Henry Hudson's discovery of Delaware Bay in 1609. The Dutch left a deep and lasting imprint on Lewes, and on Delaware, just as the Swedish settlers did on Wilmington, Del., which last year celebrated the 325th anniversary of the landing of the Swedish colonists.

The Wilmington, Del., Evening Journal has pointed out editorially:

Lewes has a flock of cherished old houses in the simple frame construction of colonial and early Federal days—some sheathed with the extra-long shingles of bald cypress from the Pocomoke Swamp. Lewes has churches whose history goes back at least two and a half centuries.

Lewes will present a pageant, "The Spirit of Lewes—The Bombardment of 1813," with a script by Ronald Davis and Dr. C. Robert Kase, head of the Drama Department of the University of Delaware, and national coordinator of the university theater festival of the John F. Kennedy Center for the Performing Arts.

I include for the information of my colleagues a short statement on "Historic Lewes Day," prepared by Miss Harriet Wilson, Fairfield Farm, Milford, Del., listing the activities which will take place:

HISTORIC LEWES DAY

(By Miss Harriet Wilson, Milford, Del.)

Lewes, Del., one of the large towns of Sussex County and always influential in the affairs of this region, lies as it were under the lee of Cape Henlopen, and thus was the attractive spot at which Patroon de Vries landed in 1631.

Lewes has the distinction of being the oldest settlement, and further distinction stems from the fact that 2 days' bombardment of Lewes by the British in 1813 "was the only engagement that really occurred on Delaware soil during the War of 1812–14." This bombardment, which caused much excitement at the time, did little damage. One writer described the devastation to Lewes by the British thus: "The commander and all his men shot a dog and killed a hen."

The British had appeared before Lewes and sent ashore a message demanding food and provisions. The commander of the American troops, Col. Samuel Boyer Davis, refused their demands and prepared to defend the town.

To give the appearance of a large defending body, soldiers and citizens alike were mustered, were given cornstalks with blackened ends, and so marched into and out of view of the British fleet so that they looked like thousands instead of a few.

When the bombardment began, the men of the town struggled through the marsh grass and collected the British cannon balls which fitted the guns used by the Lewes defenders, thereby enabling the Delawareans to return the British gunfire.

One of the British shots struck a door of a store in Lewes. This house, still standing, has been named the Cannon Ball House.

Historic Lewes Day on July 11 will reenact the bombardment of Lewes by the British. The funds obtained will go toward restoring the Cannon Ball House.

From 1 to 5 p.m. the following places of interest will be open free to the public:

Zwaanendael Museum, Lewes Town Hall, Lewes Presbyterian Church, the Thompson country store, model of an Indian abode, Russell House, fountain of youth, Plank House, De Vries Monument, Indian fort site of Indian and Dutch trading post, Lewes Coast Guard Station, Cannon Ball House, War of 1812 Park, and St. Peter's Episcopal Church.

The following places will carry an admission charge of 50 cents: Col. David Hall chapter, Daughters of the American Revolution House, Burton-Ingram House, Hiram Rodney Burton House, and William R. West House.

At 7 p.m. the following program will be presented on the Lewes School Athletic Field:

Music: Lewes High School Band.

Dances: Lewes Junior History Group.

Music: Blue Rock Drum and Bugle Corp.

The pageant: "The Spirit of Lewes—The Bombardment of 1813," script by Ronald Davis, in cooperation with Dr. C. R. Kase, University of Delaware; directed by Miss Anna Beebe; costumes by Van Horn & Sons, Philadelphia, Pa., with the following cast and help of the 3d Maryland Battery, CSA Artillery; North-South Skirmish Associates of Elkton under the direction of John De Witt; and the Delaware National Guard will provide the British bombardment atmosphere:

THE 1964 CAST

Narrator, Rev. William H. Hudson.

Governor Haslett, Governor E. N. Carvel.

Col. Samuel Boyer Davis, Perry T. Burton.

Chief Magistrate of Lewes (Daniel Rodney), Mayor Otis H. Smith.

Lieutenant Maray of the British Navy, Capt. William S. Ingram, Jr.

Capt. Thomas B. Rodney, William S. Jefferson.

Town Crier, Walter S. Howard, Sr.

The Reverend Thomas Reed, D.D., the Reverend Frank L. Moon.

Aid to the Governor, Frank R. Mercer.

David Paynter, Halsey G. Knapp.

Woman in the crowd, Alma Bennett.

Mrs. Rowe, Alice Watts.

Mrs. Moore, Emily Burton.

Mr. Thomas Rowland, Louis F. Ingram.

Mrs. Thomas Rowland, Mary Louise Maull.

Vendor, Rhodes Vessels.

Tinker, Homer Brooke Ingram.

British sailors, Houston Wilson, John Burris, Charles Mason.

Townswomen.

Many townspeople are planning to be in colonial costumes. Some store windows on Main Street will exhibit collections.

Of particular interest is viewing the uncovered site of the original Dutch Colony in 1631, by Dr. Chesleigh H. Bonine on May 16 of this year. The De Vries Monument erected in 1909 is on the north side of this stockade.

As one listens to the reenactment and meets the present-day townfolk, one is conscious of Lewes—a delight pilot town—now aroused by being the port of call of the new Lewes-Cape May Ferries.

Lewes will have much pleasure in having guests celebrate historic Lewes Day of 151 years ago with them.

URBAN MASS TRANSPORTATION ACT

Mr. MORSE. 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 pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BARRY. Mr. Speaker, the problem of urban mass transportation is countrywide. Communities are choked by traffic and commuter problems and although the Federal Government gives aid to highways, airports, airline, and maritime industry, the commuter train and bus services suffer from inadequate capital improvements. The bill will help the commuter services renovate their old facilities and acquire new in order to provide faster and more efficient service to the people of the community. Such aid is essential to the development of coordinated mass transportation in urban areas.

Despite criticism to the contrary, this bill is national in scope for urban areas are the backbone of our national strength and their capacity to produce and the continued growth of the economy depend on the adequacy of transportation systems within and between metropolitan regions. May I point out that 70 percent of the population live in urban areas as well as transportation systems in these areas serve far more than the major metropolitan city. Federal aid programs cannot be executed in isolation without considering how the economy of the new low-density suburban housing affects the ability to provide adequate transportation for movement within and between areas.

Mass transportation serves essential rush-hour and standby needs for those unable and inconvenienced to use automobiles. Faced with increasing costs and declining to raise rates proportionately which would be beyond the means of the average commuter, many mass transportation systems have been unable to maintain adequate facilities, equipment or service, in order to accommodate the increased needs of commuters. State and local governments, on the other hand, are hampered in their efforts to relieve the commuter railroad problem by constitutional debt limits and difficulties of adjusting to different jurisdictions within the area.

It is clear that neither highways nor transit systems can in themselves solve the transportation problems of the present day, and provide for the requirements for future population growth. Highways in metropolitan areas have received at least $20 billion from the Federal Government through the interstate highway program. The total costs of this bill will run to at least $10 billion. But, it is about time, in the interest of the Nation, that the Federal Government help to stimulate local action, adequate planning, and improved facilities for commuter train and bus services. Only in this way can the Nation have a well-coordinated and integrated communications system.

This is a long overdue step in solving the problems of passenger transportation that have beset the urban areas of the country. Federal assistance for highways have encouraged more commuters to take to the roads. However, this perpetuates the need for additional Federal highway assistance because of the increased traffic congestion. This congestion has been estimated to cost the Nation about $5 billion a year in time and wages lost, extra fuel consumption, and so forth, in addition to increased Federal subsidy. Approximately 96 percent of the operating transit companies are privately owned and operated. As a matter of justice, we must see that private enterprise is not jeopardized. Private transit systems should be properly encouraged to meet the transportation problems, instead of suffering increasing loss of revenue because of one-sided Government subsidy to other modes of transportation.

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. PATMAN, for 15 minutes, today; and to revise and extend his remarks and to include extraneous matter.

Mr. CURTIS (at the request of Mr. MORSE), for 30 minutes, today.

Mr. FORD (at the request of Mr. MORSE), for 1 hour, Monday, June 29, 1964.

Mr. MCDOWELL, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RIVERS of South Carolina and to include a speech by the distinguished chairman of the Committee on Armed Services on the occasion of a dinner given by the National Guard Association of the United States and the State of Georgia in his honor.

Mr. LIBONATI.

Mr. RHODES of Pennsylvania.

Mr. GALLAGHER.

(The following Members (at the request of Mr. MORSE) and to include extraneous matter:)

Mr. LATTA.

Mr. DOLE.

Mr. WYDLER.

Mr. CUNNINGHAM.

Mr. OSMERS, to include a letter in his remarks on H.R. 3881.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. FRASER.

Mrs. GRIFFITHS.

Mr. STAEBLER.

Mr. FINNEGAN.
Mr. DELANEY.
Mr. BURKHALTER.
Mr. PUCINSKI.
Mr. KEOGH.
Mr. GRABOWSKI.
Mr. WILLIAMS in two instances.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 1056. Joint resolution making continuing appropriations for the fiscal year 1965, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 221. An act to amend chapter 35 of title 38, United States Code, to provide educational assistance to the children of veterans who are permanently and totally disabled from an injury or disease arising out of active military, naval, or air service during a period of war or the induction period;

H.R. 6041. An act 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;

H.R. 9311. An act to continue for 2 years the existing suspensions of duty on certain alumina and bauxite; and

H.R. 9740. An act to establish the Roosevelt Campobello International Park, and for other purposes.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until Monday, June 29, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2217. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to provide for collection and deposit of fees and charges for inspection and services under laws relating to Federal inspection of meat and meat-food products, humane slaughter of animals, and for other purposes"; to the Committee on Agriculture.

2218. A letter from the Comptroller General of the United States, transmitting a report on an examination of a public utility contract relating to unnecessary expenditures of Government funds and violations of law relating to facilities leased to provide electric power for the Agricultural Research Center, Beltsville, Md., by the Department of Agriculture; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H.R. 7073. A bill to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act; without amendment (Rept. No. 1517). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee on Appropriations. H.R. 11812. A bill making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes; without admendment (Rept. No. 1518). 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. SNYDER:

H.R. 11741. A bill to amend the Legislative Reorganization Act of 1946 to authorize the review of the administrative regulations by committees of Congress prior to their promulgation, and for other purposes; to the Committee on Rules.

By Mr. DOLE:

H.R. 11742. A bill to amend the Internal Revenue Code of 1954 to authorize and facilitate the deduction from gross income by teachers of the expenses of education undertaken by them, and to provide a uniform method of proving entitlement to such deduction; to the Committee on Ways and Means.

By Mr. HULL:

H.R. 11743. A bill to amend section 162 of the Internal Revenue Code of 1954 to clarify the deductibility of premiums paid for flood insurance or indemnity; to the Committee on Ways and Means.

By Mr. JENSEN:

H.R. 11744. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. LAIRD:

H.R. 11745. A bill to amend title II of the Social Security Act to provide that the child of an insured individual, after attaining age 18, may continue to receive child's insurance benefits until he attains age 21 if he is a full-time student; to the Committee on Ways and Means.

H.R. 11746. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits, to provide minimum benefits for all individuals not otherwise entitled at age 70, and to provide an across-the-board increase in all benefits thereunder; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 11747. A bill to authorize the Secretary of the Treasury to enter into contracts in connection with the production of coins; to the Committee on Banking and Currency.

By Mr. McDOWELL:

H.R. 11748. A bill to provide for the appointment of a Commissioner General for U.S. participation in the Canadian Universal and International Exhibition, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MARTIN of Nebraska:

H.R. 11749. A bill to amend chapter 15 of title 38, United States Code, to revise the pension program for World War I, World War II, and Korean conflict veterans, and for other purposes; to the Committee on Veterans Affairs.

By Mr. ELLSWORTH:

H.R. 11750. A bill relating to the tariff treatment of parts designed for use or chiefly used in agricultural or horticultural implements or in tractors suitable for agricultural use; to the Committee on Ways and Means.

By Mr. RYAN of New York:

H.R. 11751. A bill to amend title II of the War Claims Act of 1948 so as to extend until July 15, 1965, the time for filing claims under that title; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL of North Carolina:

H.R. 11752. A bill to repeal title II (relating to wheat) of the Agricultural Act of 1964, and for other purposes; to the Committee on Agriculture.

By Mr. CLARK:

H.R. 11753. A bill to amend part II of the Interstate Commerce Act, as amended, so as to authorize exemption from the provisions of such part, of services and transportation of such nature, character, or quantity as not substantially to affect or impair uniform motor carrier regulation; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS:

H.R. 11754. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes; to the Committee on Foreign Affairs.

By Mr. JOHNSON of Pennsylvania:

H.R. 11755. A bill to provide for the issuance of a special postage stamp in honor of Douglas MacArthur; to the Committee on Post Office and Civil Service.

By Mr. LONG of Louisiana:

H.R. 11756. A bill to amend title 38, United States Code, so as to provide for a pension of $100 per month for certain World War I veterans on attaining age 72, revise the rates of disability and death pension authorized by the Veterans' Pension Act of 1959, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MURPHY of New York:

H.R. 11757. A bill to provide for an investigation and study to determine a site for the construction of a sea level canal connecting the Atlantic and Pacific Oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. ROSTENKOWSKI:

H.R. 11758. A bill to establish a U.S. mint in Cook County, Ill.; to the Committee on Public Works.

By Mr. UTT:

H.R. 11759. A bill to adjust the tax rates on light sparkling wines in relation to those imposed on other wines; to the Committee on Ways and Means.

By Mr. WHARTON:

H.R. 11760. A bill to increase the limitation on annual income used to determine eligibility for pension in the case of certain veterans of World War I, World War II, and the Korean conflict, and their widows and children; to the Committee on Veterans' Affairs.

Br Mr. ABELE:

H.R. 11761. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. ASHMORE:

H.R. 11762. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. BATTIN:

H.R. 11763. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 11764. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. BOW:

H.R. 11765. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. CHENOWETH:

H.R. 11766. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. COLLIER:
H.R. 11767. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. CUNNINGHAM:
H.R. 11768. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. DAGUE:
H.R. 11769. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. DANIELS:
H.R. 11770. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. DENT:
H.R. 11771. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. DEVINE:
H.R. 11772. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. DULSKI:
H.R. 11773. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. FISHER:
H.R. 11774. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. FOGARTY:
H.R. 11775. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. FOREMAN:
H.R. 11776. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. GLENN:
H.R. 11777. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. GOODLING:
H.R. 11778. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. GROSS:
H.R. 11779. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. GURNEY:
H.R. 11780. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. HALL:
H.R. 11781. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. HARRISON:
H.R. 11782. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. HARVEY of Indiana:
H.R. 11783. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. HORTON:
H.R. 11784. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. HUDDLESTON:
H.R. 11785. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. HUTCHINSON:
H.R. 11786. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. JOHNSON of Pennsylvania:
H.R. 11787. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. KING of New York:
H.R. 11788. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. KORNEGAY:
H.R. 11789. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. LANGEN:
H.R. 11790. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. McCLORY:
H.R. 11791: A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. MILLIKEN:
H.R. 11792. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. MONTOYA:
H.R. 11793. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. MOORE:
H.R. 11794. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. PELLY:
H.R. 11795. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. PHILBIN:
H.R. 11796. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. PILLION:
H.R. 11797. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. RHODES of Arizona:
H.R. 11798. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. ST GERMAIN:
H.R. 11799. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. SILER:
H.R. 11800. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. SLACK:
H.R. 11801. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. STEED:
H.R. 11802. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:
H.R. 11803. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. UTT:
H.R. 11804. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WALLHAUSER:
H.R. 11805. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WESTLAND:
H.R. 11806. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WHALLEY:
H.R. 11807. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WHARTON:
H.R. 11808. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WHITENER:
H.R. 11809. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WILSON of Indiana:
H.R. 11810. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WYMAN:
H.R. 11811. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. GARY:
H.R. 11812. A bill making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

By Mr. BONNER:
H.J. Res. 1057. Joint resolution prohibiting the Federal Trade Commission from promulgating or enforcing rules or regulations requiring the labeling of cigarettes with respect to their effect on human health before January 1, 1968; to the Committee on Interstate and Foreign Commerce.

By Mr. LENNON:
H.J. Res. 1058. Joint resolution prohibiting the Federal Trade Commission from promulgating or enforcing rules or regulations requiring the labeling of cigarettes with respect to their effect on human health before January 1, 1968; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR:
H.J. Res. 1059. Joint resolution prohibiting the Federal Trade Commission from promulgating or enforcing rules or regulations requiring the labeling of cigarettes with respect to their effect on human health before January 1, 1968; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER:
H.J. Res. 1060. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. FINDLEY:
H.J. Res. 1061. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. GOODELL:
H.J. Res. 1062. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. LATTA:
H.J. Res. 1063. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. TEAGUE of California:
H.J. Res. 1064. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. ABELE:
H.J. Res. 1065. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. BROMWELL:
H.J. Res. 1066. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. CAHILL:
H.J. Res. 1067. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. GLENN:
H.J. Res. 1068. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. LLOYD:
H.J. Res. 1069. Joint resolution to amend the Constitution of the United States to

guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.J. Res. 1070. Joint resolution proposing an amendment to the Constitution relating to the apportionment of districts from which members of a State legislature are to be elected; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H.J. Res. 1071. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. COHELAN:

H.J. Res. 1072. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point a citizen and subject of the Empire of Iran; to the Committee on Armed Services.

By Mr. DERWINSKI:

H.J. Res. 1073. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. MORTON:

H.J. Res. 1074. Joint resolution proposing an amendment to the Constitution of the United States to provide that the several States shall have exclusive power to determine the composition and apportionment of the membership of their legislatures; to the Committee on the Judiciary.

By Mr. KORNEGAY:

H.J. Res. 1075. Joint resolution prohibiting the Federal Trade Commission from promulgating or enforcing rules or regulations requiring the labeling of cigarettes with respect to their effect on human health until duly authorized by the Congress; to the Committee on Interstate and Foreign Commerce.

By Mr. FOUNTAIN:

H.J. Res. 1076. Joint resolution prohibiting the Federal Trade Commission from promulgating or enforcing rules or regulations requiring the labeling of cigarettes with respect to their effect on human health until duly authorized by the Congress; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD:

H.J. Res. 1077. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

By Mr. LLOYD:

H. Res. 791. Resolution to inquire into the financial or business interests of any present or former Member, officer, or employee of the House of Representatives; to the Committee on Rules.

By Mr. COOLEY:

H. Res. 792. Resolution to grant additional travel authority to the Committee on Agriculture; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H.R. 11813. A bill for the relief of Lucile B. Mahieu; to the Committee on the Judiciary.

By Mr. BATES:

H.R. 11814. A bill for the relief of Constantinus Agganis; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 11815. A bill for the relief of Venovia Anthony; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 11816. A bill for the relief of Ali Mohammed El Hajj; to the Committee on the Judiciary.

By Mr. MARTIN of California:

H.R. 11817. A bill for the relief of Helen Bowling; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

946. The SPEAKER presented a petition of William Raney, M.D., and others, Carmichael, Calif., to take immediate steps to reopen and reactivate the San Francisco Branch Mint, which was referred to the Committee on Banking and Currency.

SENATE

THURSDAY, JUNE 25, 1964

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

Rabbi Albert Plotkin, Temple Beth Israel, Phoenix, Ariz., offered the following prayer:

Our God and God of our fathers, we ask Thy blessings upon the work of the Senate. Make its Members truly coworkers with Thee in the building of Thy kingdom upon the foundation of justice and righteousness.

Let bitterness and hatred cease in our land. Cause sectional strife that divides us to disappear, so that our country will become an oasis of liberty and freedom for all human beings, whatever their origin. Where there is prejudice, let there be love. Where there is the darkness of ignorance, let there be the light of understanding. Where there is discrimination, let the right be done, so that brotherhood and harmony will prevail.

Give us the wisdom to distinguish between the things we can change and those we cannot. Whatever we strive to do, may we do it with all our hearts for the welfare of our Nation. Then shall all Thy people glory in their heritage, and create in our time a democracy of true unity and peace.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 24, 1964, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 9124. An act to amend title 10, United States Code, to vitalize the Reserve Officers' Training Corps programs of the Army, Navy, and Air Force, and for other purposes; and

H.J. Res. 925. Joint resolution creating a joint committee to commemorate the 100th anniversary of the second inaugural of Abraham Lincoln.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred as indicated:

H.R. 9124. An act to amend title 10, United States Code, to vitalize the Reserve Officers' Training Corps programs of the Army, Navy, and Air Force, and for other purposes; to the Committee on Armed Services.

H.J. Res. 925. Joint resolution creating a joint committee to commemorate the 100th anniversary of the 2d inaugural of Abraham Lincoln; to the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements during the morning hour be limited to 3 minutes.

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

COMMITTEE MEETING DURING SESSION OF THE SENATE TODAY

On motion by Mr. MANSFIELD, and by unanimous consent, the Committee on Post Office and Civil Service was authorized to meet during the session of the Senate today.

COMMITTEE MEETING DURING SENATE SESSION FOR REMAINDER OF MONTH

On request by Mr. MANSFIELD, and by unanimous consent, the Committee on Appropriations and its subcommittees were authorized to meet during the sessions of the Senate for the rest of this month.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON TRANSFER OF CERTAIN RESEARCH AND DEVELOPMENT FUNDS

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the transfer of research and development funds to the construction of facilities appro-