Virginia [Mr. RANDOLPH], the distinguished Senator from Michigan [Mr. MCNAMARA], and the ranking minority member of the Committee on Public Works, the distinguished Senator from Kentucky [Mr. COOPER].

A bill to implement the International Coffee Agreement, which was passed largely through the efforts of Senators SMATHERS, AIKEN, and MORSE, but also through the efforts of Senator DOUGLAS and Senator CARLSON whose sincere and constructive opposition contributed so greatly in making an outstanding legislative history and which put the State Department on notice that the Senate will watch this quota system most carefully especially as it relates to an increase in coffee prices.

The passage this morning of the Hill-Burton Hospital Construction Act, under the superb leadership of the distinguished Senator from Alabama, who is a perennial in this respect.

The passage of the National Defense Education Act, under the excellent and outstanding floor managership of the distinguished senior Senator from Oregon [Mr. MORSE], ably abetted and supported by the distinguished Senator from Vermont [Mr. PROUTY].

In praising the Senate as a whole and attempting to single out some members for their skill, effort, and cooperation in connection with specific pieces of legislation, some will always be inadvertently omitted from the list, but one who could never be forgotten is the distinguished minority leader [Mr. DIRKSEN]; I must say that the effort that brought about these achievements could never have been accomplished without the leadership, counsel, spirit of cooperation, and duty always manifested by him.

Next week, we hope to conclude action on the independent offices bill, perhaps the public works bill, and also the agricultural appropriations bill.

It is anticipated that we will bring up legislation having to do with nurses training, and also the interest equalization bill.

Let me say to all Senators on both sides of the aisle that we have made great progress.

I wish to personally thank each Senator for his valuable contribution in assisting the leadership to get these measures through so expeditiously.

Mr. MORSE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. The majority leader, as usual, has been very gracious in expressing appreciation to those who have helped to put through the legislative program.

All Senators know—and I would have the country know—that if it were not for the able leadership of the majority leader, his ability to handle men, his deftness in carrying out a very difficult assignment, none of these pieces of legislation would have been enacted. The entire Senate and the entire country owe the Senator from Montana a great debt of gratitude for his statesmanship.

Mr. MANSFIELD. I am indebted to the Senator from Oregon for his kind remarks.

COFFEE PRICES ALREADY GOING UP AFTER ENACTMENT OF H.R. 8864, THE INTERNATIONAL COFFEE AGREEMENT YESTERDAY

Mr. DOUGLAS. Mr. President, I appreciate the gracious references of the Senator from Montana about the efforts of the Senator from Kansas and the Senator from Illinois in opposing the coffee bill yesterday.

I especially appreciate his statement that Senators should keep close watch on what will happen after passage of the bill.

Mr. President, I hold in my hand a copy of the New York Times for this morning, which on page 32 gives the movement of futures prices in coffee on Friday as compared with Thursday.

I should like to read two of these futures.

When the market closed on Thursday, March futures for 1965, on B grade coffee stood at 47.23 cents per pound. When the market closed last night, after we had passed the bill, it stood at 47.74 cents per pound—an increase of 0.51 cents per pound, or approximately one-half cent.

May futures which had been 47.11 cents per pound on Thursday, after the market closed last night was 47.68 cents per pound, or an increase of 0.57 cents per pound, or slightly over one-half a cent.

Each cent of increase in the price of coffee means from $30 to $35 million to the American consumers. The increase yesterday, which will probably be reflected in subsequent increases, amounted to $15 to $17 million.

This is precisely what the Senator from Kansas and the Senator from Illinois had prophesied would happen. This increase was undoubtedly due to the passage of the bill yesterday. So far as I know, there was no change in weather forecasts for Brazil or for anywhere in Latin America to justify any expectation that the supply of coffee would diminish. There was no information to indicate that there had been any expected increase in demand. What happened was that we had passed the coffee bill. The news reached New York and the speculators decided that this meant prices next year would be higher than this year.

Mr. President, this is only the beginning. This is merely the first installment on the bill. This is merely the reaction in the first hours after our action yesterday.

The Coffee Council is meeting now, as I understand, in London, and will meet again next week to make its final decision on quotas. It will be very interesting to see what they do.

Yesterday's trading indicates that the Senator from Kansas and the Senator from Illinois were correct as to the effect of this pact upon the future course of coffee prices.

The chickens are coming home to roost, but they are not coming home to those who supported this measure; they are coming home to the American people. They are coming home to the families of the plainsmen out West who drink their cups of coffee to brace themselves against the asperities of the weather. They are coming home to the people who live in the small towns and in the big cities. They are coming home in the form of an increased price of coffee.

It is my intention, in conformity with the excellent admonition of the Senator from Montana, to try to keep watch from time to time on what happens to coffee prices.

I can say that they began yesterday afternoon, just as I expected them to begin—with an increase.

Mr. SIMPSON. Mr. President, let me say to the Senator from Illinois that I concur with him in his remarks, and I trust that a check on these coffee prices will be made and a record kept.

Mr. President, I rise to commend the majority leader for his fairness, his understanding, and his generosity with respect to the accomplishments of this body in the past few weeks.

The majority leader is always fair and just. He conducts himself with impeccable integrity.

His remarks as to the work of the minority leader and the cooperation given on this side of the aisle are another indication of that integrity, and I thank him wholeheartedly.

Mr. MANSFIELD. Mr. President, I thank the Senator from Wyoming most sincerely for his comments.

ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon on Monday.

The motion was agreed to; and (at 12 o'clock and 8 minutes p.m.) the Senate adjourned until Monday, August 3, 1964, at 12 o'clock meridan.

SENATE

MONDAY, AUGUST 3, 1964

The Senate met at 12 o'clock meridian, and was called to order by the Acting President pro tempore (Mr. METCALF).

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, who art the God of our world and all worlds: However men on this little swinging orb may picture Thee, Thou art the God of all the earth. If we take the wings of the morning and fly to the uttermost parts of this globe which is our home—behold, Thou art there. As we, Thy earth children, go on our boundless quest of other worlds, it is but to find that Thou art the center and soul of every sphere.

In this epochal day, when from earth we are gazing with a new wonder at the first close-range views of the rugged surface of our nearest space neighbor—a dead world which lifts the tides and softens the night—may we thrill even more at the prophetic picture, brought near, of our own earth when the Son of Righteousness shall illumine its dark places; when true brotherhood shall bridge all the deep chasms of misunder-

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standing, and deserts of hot anger and racial rancor shall blossom as the rose; when at last on this tiny sphere Thy kingdom shall come as Thy will is done; when in every heart and brain shall throb the pulse of one fraternity.

With this radiant picture of a new heaven and a new earth ever before our eyes, strengthen us to dedicate our brief years here to help bring this heavenly vision to the waiting earth.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request by Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, August 1, 1964, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on August 1, 1964, the President had approved and signed the act (S. 2963) to amend the Atomic Energy Act of 1954, as amended, the Atomic Energy Community Act of 1955, as amended, and the EURATOM Cooperation Act of 1958, as amended.

REPORT OF ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 332)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Public Works:

To the Congress of the United States:

Pursuant to the provisions of section 10 of Public Law 358, 83d Congress, I transmit herewith for the information of the Congress the annual report of the St. Lawrence Seaway Development Corporation, covering its activities for the year ended December 31, 1963.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *August 3, 1964.*

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Post Office and Civil Service.

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

ORDER DISPENSING WITH CALL OF CALENDAR

On request by Mr. MANSFIELD, and by unanimous consent, the call of the legislative calendar, under rule VIII, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

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

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON UNOFFICIAL USE AND OVERSTATED NEEDS OF COMMERCIAL-TYPE VEHICLES BY THE MILITARY ASSISTANCE ADVISORY GROUP AND THE HEADQUARTERS, SUPPORT ACTIVITY, TAIPEI, REPUBLIC OF CHINA

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unofficial use and overstated needs of commercial-type vehicles by the Military Assistance Advisory Group and the Headquarters, Support Activity, Taipei, Republic of China, Department of Defense, dated July 1964 (with an accompanying report); to the Committee on Government Operations.

REPORT ON COSTS INCURRED FOR COMPLETION OF A SOLID PROPELLANT CONTINUOUS-MIX FACILITY FOR WHICH THERE WAS NO PLANNED USE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on costs incurred for completion of a solid propellant continuous-mix facility for which there was no planned use, Department of the Air Force, dated July 1964 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REFUGEE-ESCAPEES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, reporting, pursuant to law, on refugee-escapees, for the 6-month period ended June 30, 1964 (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Juan Francisco Cisneros-Escobar from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on February 1, 1964 (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF COMMISSION ON THE DISPOSITION OF ALCATRAZ ISLAND

A letter from the Chairman, Commission on the Disposition of Alcatraz Island, Washington, D.C., transmitting, pursuant to law, a report of that Commission (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A letter in the nature of a petition from the Consulting Engineers Council, Washington, D.C., signed by William W. Moore, president, relative to alleged incomplete reports of the General Accounting Office regarding the Federal aid highway program; to the Committee on Government Operations.

A letter in the nature of a petition from Emmett C. Dye, of Arlington, Va., relating to a three-semester plan in the educational system; to the Committee on Labor and Public Welfare.

The petition of Charles G. Irwin, and sundry other members of the Wyoming State Legislature, praying for the enactment of House bill 1839, relating to imports of foreign-produced beef; ordered to lie on the table.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

H.R. 7751. An act to extend certain construction authority to the Administrator of Veterans' Affairs in order to provide adequate veterans' hospital facilities in Los Angeles, Calif. (Rept. No. 1295);

H.R. 8251. An act to amend section 612, title 38, United States Code, to authorize dental services and treatment in cases where discharges were corrected by competent authority from dishonorable to conditions other than dishonorable (Rept. No. 1296);

H.R. 10610. An act to provide for the conveyance of certain real property under the control of the Administrator of Veterans' Affairs (Rept. No. 1298); and

H.R. 10611. An act to provide for the conveyance of certain real property under the control of the Administrator of Veterans' Affairs (Rept. No. 1299).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with an amendment:

S. 1046. A bill to provide hospital, domiciliary, and medical care for non-service-connected disabilities to certain recipients of the Medal of Honor (Rept. No. 1294).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with amendment:

H.R. 8009. An act to amend title 38, United States Code, to provide certain veterans with urgently needed nursing home care and nursing care facilities while reducing the cost to the United States for caring for such veterans, and for other purposes (Rept. No. 1293); and

H.R. 8611. An act to facilitate the performance of medical research and development within the Veterans' Administration, by providing for the indemnification of contractors (Rept. No. 1297).

BILLS INTRODUCED

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

By Mr. YARBOROUGH:

S. 3066. A bill to provide for cost-of-living adjustments in star route contract prices; to the Committee on Post Office and Civil Service.

By Mr. CHURCH (for himself and Mrs. NEUBERGER):

S. 3067. A bill to extend the boundaries of the Kaniksu National Forest in the State of Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 3068. A bill to amend the Federal Firearms Act, as amended, to authorize the

Secretary of the Treasury to relieve manufacturers from certain provisions of the act if he determines that enforcement would impair the national security; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN (for himself, Mr. EASTLAND, and Mr. STENNIS):

S. 3069. A bill to amend title 28, United States Code, to provide for a temporary stay of proceedings in any action for the reapportionment of any State legislative body; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3070. A bill for the relief of Dr. Mario Posla; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 3071. A bill to establish a self-supporting Federal reinsurance program to protect employees in the enjoyment of certain rights under private pension plans; to the Committee on Finance.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

SAVE UPPER PRIEST LAKE

Mr. CHURCH. Mr. President, recently, an American wrote me from the Punjab Club, Lahore, Pakistan, to enter into a contest of words: Is Upper Priest Lake one of the most beautiful places "in Idaho," "in the country," or "in the world"? The writer, Mrs. E. J. Peterson, declared it to be "one of the most beautiful places left in the world," and I am prepared to agree with her.

But before long it may not be, and that is why Mrs. Peterson wrote as she did.

I hope—

She said—

that this land will be * * * kept like it is. * * * It would be a shame not to keep it wild.

Nearly everyone in northern Idaho and eastern Washington would agree, and millions more would also if they knew why Upper Priest Lake is endangered.

Mr. President, I should like to tell that story to the Senate at this time.

Upper Priest is a small lake, less than 4 miles long and three-fourths of a mile wide, located near the Washington State border and within walking distance of Canada, in the panhandle of northern Idaho. The panhandle is dotted by lakes, but Upper Priest is the only one left which has not felt the permanent imprint of man. It is without commercial development of any sort; it is as wild and natural as God made it.

The lake is surrounded on three sides by rising mountains, but the unusual thing about Upper Priest is that, unlike so many similar lakes, one need not cross the mountains to get there. Thousands come there easily each year over a gentle water route.

We can understand something about the special attraction of this route from the description given it by Art Manley, vice president of the Idaho Wildlife Federation, a man who has worked tirelessly to save the lake:

There is neither road nor trail to the little lake but the approach is easy and scenic, via the Thoroughfare, a lazily meandering stream just deep enough for most outboard motorboats and wide enough to permit one boat to pass another. The Thoroughfare provides a study in nature itself. It is protected by tall, stately white pines, alpine fir, spruce, western redcedar, the light green larch, cottonwoods and many, many other trees, bushes, and flowering vines, the trees often casting their shadows across the entire width of the clear, blue water of the Thoroughfare.

Once inside the lake, the reason for preserving it becomes even more apparent. The air is unusually tranquil, and the lake surface, protected by the mountains, is smooth enough to see the cutthroat trout jumping at great distances. The shore is lined by plants and intermittent sandy beaches which serve as the threshold to an unbroken forest, luxuriant with such a diverse combination of evergreen and deciduous trees as to make a necklace for the lake in autumn of brilliant, splashing color.

In the Selkirk Mountains, above the lake, roam a herd of rare mountain caribou, thought by many to be the last surviving band south of Canada. Mountain goat also inhabit the high country and deer, bear, and moose can be seen occasionally at the water's edge. The giant Mackinaw trout, the landlocked Kokanee salmon, and the rainbow trout inhabit the lake's clear waters.

Two well-concealed campgrounds and an emergency fireguard station are the only permanent evidence of man's intrusion on this scene—at least as of today.

The west side of the lake is part of the Kaniksu National Forest; the east side is owned by the State of Idaho, with the exception of three separate privately owned parcels. From at least one of these parcels, the sound of bulldozers and hammers may soon disturb the calm, and the day may not be far off when the shoreline will be studded with private boat docks. For the owners of this 140-acre parcel have announced their intention to subdivide their land for cabin sites. For nearly 4 years, the Idaho Wildlife Federation has sought to avoid this kind of commercial development. Earlier this year, when it looked as if all was lost, a national semiscientific organization, Nature Conservancy, came to the rescue, just as it has done at dozens of other beauty spots throughout the United States. The organization extended a loan to the owners, without interest, in order to buy an extra 10 months' time to save the lake. After that, the land will go up for sale.

As Art Manley has written for the Idaho Wildlife Federation:

In spite of our very best efforts, we have failed * * * to solve the problem on a local or State level. The owners cannot give us another 4 years. We believe there is no further hope except through Federal help. And so, we are asking today—urgently for that help.

It is for this reason, Mr. President, that I am today introducing a bill to authorize the Secretary of Agriculture to acquire these private inholdings at their fair market value. They can then be incorporated into the Kaniksu National Forest and managed so as to protect and conserve the scenic values of Upper Priest Lake for the use of all the public.

I use the phrase "all the public" advisedly, since such a description is appropriate for this jewel of a lake.

Upper Priest is less than 2 hours' driving time from Spokane, the largest city between the Pacific coast and the Midwest. It is estimated that nearly a million tourists traverse the general area each year. Probably no wilderness proves more easily or enjoyably accessible than for those who come to Lower Priest Lake to take a pleasant boat ride through the Thoroughfare, to Upper Priest.

This fact is not lost to those who, like myself, are also concerned with stagnant economic conditions in northern Idaho. Paradoxically, excepting Upper Priest Lake from commercial development has distinct economic value.

In a report made at my request, the Bureau of Outdoor Recreation concluded that preserving Upper Priest in its natural state was important for increasing tourism.

Scenic Upper Priest Lake appears ideal as a natural wilderness-type recreation area—

The report states, and keeping it that way is necessary for "continued expansion of tourism creation. So preserved, Upper Priest Lake could be one of the feature attractions of the Panhandle area."

This is but another reason that the threat to Upper Priest has attracted so many to its cause. But the primary reason is that the lake means so much to the people who have been there. They have found it a place to escape from the punishing pace of daily life, free from the encroachment of cabins, docks, or automobiles. In an area where the great outdoors is everywhere, Upper Priest still is unique, an accessible touchstone with a peace no longer found in larger, commercial recreation areas.

The president of the University of Idaho, D. R. Theophilus, writes:

This is a wonderful lake, and I hope that my grandchildren can see it as I have seen it.

The Honorable Don Maynard, representative from Bonner County, says in the same spirit:

It would be wonderful if we could keep this property just as the good Lord made it.

Judge Frances Sleep, of Sandpoint, tells what Upper Priest symbolizes for her in a manner which speaks for a great many people. She writes:

I have lived my life in Bonner County. I have seen many changes take place in our area. As a child it was fun to walk a couple of blocks from home in Sandpoint across a meadow to a free and uncluttered lake shore to picnic or swim. But no more. There is very little public access to our big Pend Oreille nowadays. This is the price we pay for progress. I am not objecting to the price, you understand, but I do feel we should budget some of our natural resources so they will be preserved wisely to the best advantage for the greatest number.

In 1911, the Congress passed the Weeks Act which was intended to allow for just such budgeting as Judge Sleep referred to. But for too long we have failed adequately to fund it, while the national

treasury of scenery which we possess in such abundance is being surrendered to unbridled commercial development. In fiscal 1965, the Federal Government intends to spend only $500,000 in the entire United States for purchases under the Weeks Act. Thus the need for this special legislation.

The Pacific Northwest Conservation Council, which represents those interested in conservation in the Northwest, put the case well when it said:

> Small areas like [Upper Priest Lake] are often so important to the overall welfare of our resources and they are so often neglected until too late.

Mr. President, the time is short but not yet too late. The bill which I introduce on behalf of myself and the Senator from Oregon [Mrs. NEUBERGER], will allow for the preservation of Upper Priest Lake, and stand as an example, from which the entire country may profit, of the timely application of wise conservation principles.

I ask that the bill be received, and referred to the appropriate committee.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3067) to extend the boundaries of the Kaniksu National Forest in the State of Idaho, and for other purposes, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF FEDERAL FIREARMS ACT

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Federal Firearms Act to authorize the Secretary of the Treasury to relieve manufacturers from certain provisions of the act if he determines that enforcement would impair the national security.

I ask unanimous consent that a statement explaining the purpose and provisions of the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3068) to amend the Federal Firearms Act, as amended, to authorize the Secretary of the Treasury to relieve manufacturers from certain provisions of the act if he determines that enforcement would impair the national security, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The statement presented by Mr. MAGNUSON is as follows:

PURPOSE AND ANALYSIS OF BILL

Under the existing provisions of the Federal Firearms Act, as amended (52 Stat. 1250; 15 U.S.C. 901–909), it is unlawful for a person who has been convicted of a crime punishable for a term exceeding 1 year, to ship or receive firearms or ammunition in interstate or foreign commerce, to be issued a manufacturer's license or to engage in certain other activities involving firearms or ammunition.

This language was adopted by the Congress in 1961 with the objective of assisting the fight against organized crime and racketeering. However, its all-inclusive provisions can involve persons who are not the professional criminals or racketeers that were intended to be covered. The automatic invoking of the absolute sanctions required by the present language could force the discontinuance of operations of a licensed manufacturer where such discontinuance might adversely affect the national security.

In order to avoid this undesirable situation without in any way limiting the purposes for which the language was originally adopted, it is proposed that the Secretary of the Treasury, where considerations of national security dictate, be granted discretionary authority to relieve a manufacturer of arms and ammunition from the disabilities incurred under the act by reason of conviction of a crime punishable by a term exceeding 1 year.

This result may be achieved by deleting the present section 6 of the act, "Effective Date of Chapter" (52 Stat. 1252; 15 U.S.C. 906), which no longer has any substantive effect, and substituting therefore new language which would give the Secretary of the Treasury the desired discretionary authority.

PUBLIC REINSURANCE OF PRIVATE PENSION PLANS

Mr. HARTKE. Mr. President, I introduce a bill for public reinsurance of private pension plans. Basically it provides for a program similar to the insurance of deposits through the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation or the insurance of mortgage obligations under the Federal Housing Act. Its purpose is to provide assurance that persons who have paid funds into a private pension plan approved for special tax treatment by the Internal Revenue Service will receive the benefits the plan holds forth in case of the default of the fund through termination of the plan.

To do this, there is provided a nine-member Federal Advisory Council for Insurance of Employees' Pension Funds, subject to Presidential appointment and Senate confirmation, working with the Secretary of Health, Education, and Welfare. The premium for the revolving fund, whose establishment and operation will involve no expenditure of Government moneys, will be fixed by the Council and will be paid as a cost of the fund operation. Private pension funds would be required to participate in the reinsurance program in order to qualify for the special tax treatment provided by the Internal Revenue Code.

I realize, Mr. President, that there are a number of questions concerning the operation of private pension funds, questions which are being explored with a view to recommendations by the President's Labor-Management Committee. Proposals for other legislation in this field may well develop later, but the need has been evidenced by recent experience, such as was involved in the closing of the Studebaker plant in South Bend. Workers with 25 and 30 years of experience who were still under 60 years of age found themselves with none of the anticipated pension benefits because without further income to the fund, it was insufficient to provide them.

Rather than expound at greater length here, Mr. President, I ask unanimous consent that an explanation of the bill may be printed at the close of my remarks, together with the full text of the proposal. I further ask that this bill may be held at the desk until the close of business on Wednesday, August 5, for the addition of the names of other Senators who desire to cosponsor the bill with me.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and explanation will be printed in the RECORD and the bill will be held at the desk, as requested by the Senator from Indiana.

The bill (S. 3071) to establish a self-supporting Federal reinsurance program to protect employees in the enjoyment of certain rights under private pension plans introduced by Mr. HARTKE, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Reinsurance of Private Pension Plans Act."

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "pension fund" means a trust, pension plan, or other program under which an employer undertakes to provide, or assist in providing, retirement benefits for the exclusive benefit of his employees or their beneficiaries. Such term does not include any plan or program established by a self-employed individual for his own benefit or for the benefit of his survivors or established by one or more owner-employees exclusively for his or their benefit, or for the benefit of his or their survivors.

(b) The term "eligible pension fund" means a pension fund which meets the requirements set forth in section 401 of the Internal Revenue Code of 1954 with respect to qualified pension plans.

(c)(1) The term "insured pension fund" means an eligible pension fund which has been in operation for not less than three years and, for each of such years has met the requirements set forth in subsection (b) and has been insured under the program established under this Act.

(2) Any addition to, or amendment of, an insured pension fund shall, if such addition or amendment involves a significant increase (as determined by the Secretary) in the unfunded liability of such pension fund, be regarded as a new and distinct pension fund which can become an "insured pension fund" only upon compliance with the provisions of paragraph (1) of this subsection.

ESTABLISHMENT OF INSURANCE PROGRAM

SEC. 3. There is hereby established in the Department of Health, Education, and Welfare a program to be known as the Federal insurance program for private pension plans (hereinafter referred to as the "program"). The program shall be administered by, or under the direction and control of, the Secretary.

CONTINGENCIES INSURED AGAINST UNDER PROGRAM

SEC. 4. (a) The program shall insure (to the extent provided in subsection (b)) beneficiaries of an insured pension fund against loss of benefits to which they are entitled under such pension fund arising from—

(1) failure of the amounts contributed to such fund to provide benefits anticipated at

the time such fund was established, if such failure is attributable to cessation of one or more of the operations carried on by him in one or more facilities of such employer; or

(2) losses realized upon the sale of investments of such fund if the sale is required to provide benefits payable by such fund.

(b) The rights of beneficiaries of an insured pension fund shall only be insured under the program to the extent that such rights do not exceed—

(1) in the case of a right to a monthly retirement or disability benefit for the employee himself, the lesser of 50 percent of his avearge monthly wage in the five year period for which his earnings were the greatest or $500 per month;

(2) in the case of a right on the part of one or more dependents, or numbers of the family of, the employee or in the case of a right to a lump-sum survivor benefit on account of the death of an employee, an amount found by the Secretary to be reasonably related to the amount determined under subparagraph (1).

In the case of a periodic benefit which is paid on other than a monthly basis, the monthly equivalent of such benefit shall be regarded as the amount of the monthly benefit for purposes of clauses (1) and (2) of the preceding sentence.

(c) If an eligible pension fund has not been insured under the program for each of at least the three years preceding the time when there occurs the contingency insured against, the rights of beneficiaries shall not be insured and in lieu thereof the contributions made on behalf of such pension fund during such period shall be returned to the pension fund.

PREMIUM FOR PARTICIPATION IN PROGRAM

SEC. 5. (a) Each eligible pension fund may, upon application therefor, obtain insurance under the program upon payment of such annual premium as may be established by the Secretary. The Secretary shall establish separate premium rates for insurance against each of the contingencies described in section 4(a)(1) and section 4(a)(2). Each such premium rate shall be uniform for all pension funds insured by the program and shall be applied to the amount of the unfunded obligations and assets respectively of each insured pension fund. The premium rates may be changed from year to year by the Secretary, when the Secretary determines changes to be necessary or desirable to give effect to the purposes of this Act; but in no event shall the premium rate established for the contingency described in section 4(a)(1) exceed 1 percent of unfunded obligations, nor shall the premium rate established for the contingency described in section 4(a)(2) exceed one-quarter of 1 percent of assets.

(b) The Secretary, in determining premium rates, and in establishing formulas for determining unfunded obligations and assets of pension funds, shall consult with, and be guided by the advice of, the Advisory Council (established by section 8).

(c) If the Secretary (after consulting with the Advisory Council) determines that, because of the limitation on rate of premium established under subsection (a) or for other reasons, it is not feasible to insure against loss of rights of all beneficiaries of insured pension funds, then the Secretary shall insure the rights of beneficiaries in accordance with the following order of priorities—

(1) First: individuals who, at the time when there occurs the contingency insured against, are receiving benefits under the pension fund, and individuals who have attained normal retirement age and who are eligible, upon retirement, for retirement benefits under the pension fund;

(2) Second: individuals who, at such time, have attained the age for early retirement and who are entitled, upon early retirement, to early retirement benefits under the pension fund; or, if the pension fund plan does not provide for early retirement, individuals who, at such time, have attained age 60 and who, under such pension fund, are eligible for benefits upon retirement;

(3) Third: individuals who, at such time, have attained age 45;

(4) Fourth: individuals who, at such time, have attained age 40; and

(5) Fifth: in addition to individuals described in the above priorities, such other individuals as the Secretary, after consulting with the Advisory Council, shall prescribe.

(d) Participation in the program by a pension fund shall be terminated by the Secretary upon failure, after such reasonable period as the Secretary shall prescribe, of such pension fund to make payment of premiums due for participation in the program. Participation by any pension fund in the program may be terminated by such fund at any time by giving not less than sixty-days' notice of termination to the Secretary.

REVOLVING FUND

SEC. 6. (a) In carrying out his duties under this Act, the Secretary shall establish a revolving fund into which all amounts paid into the program as premiums shall be deposited and from which all liabilities incurred under the program shall be paid.

(b) The Secretary is authorized to borrow from the Treasury such amounts as may be necessary, for deposit into the revolving fund, to meet the liabilities of the program. Moneys borrowed from the Treasury shall bear a rate of interest determined by the Secretary of the Treasury to be equal to the average rate on outstanding marketable obligations of the United States as of the period such moneys are borrowed. Such moneys shall be repaid by the Secretary from premiums paid into the revolving fund.

(c) Moneys in the revolving fund not required for current operations shall be invested in obligations of, or guaranteed as to principal and interest by, the United States.

AMENDMENT TO INTERNAL REVENUE CODE

SEC. 7. (a) Section 404 of the Internal Revenue Code of 1954 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan) is amended by adding at the end thereof the following new subsection:

"(g) GENERAL LIMITATION.—Notwithstanding the preceding provisions of this section, no employer shall be entitled, with respect to any taxable year, to a deduction under this section on account of contributions to a pension fund which is, during all of such taxable year, an 'eligible pension fund' within the meaning of the Federal Reinsurance of Private Pension Plans Act unless, at the close of such taxable year, such pension fund was insured under the program established by such Act."

(b) The amendment made by subsection (a) shall be effective with respect to taxable years which begin no less than six months after the date of enactment of this Act.

ADVISORY COUNCIL

SEC. 8. (a) There is hereby created a Federal Advisory Council for Insurance of Employees' Pension Funds (hereinafter referred to as the "Advisory Council"), which shall consist of nine members, to be appointed by the President, by and with the advice and consent of the Senate. The President shall select, for appointment to the Council, individuals who are, by reason of training or experience, or both, familiar with and competent to deal with, problems involving employees' pension funds and problems relating to the insurance of such funds. Members of the Council shall be appointed for a term of two years.

(b) Members shall be compensated at the rate of $100 per day for each day they are engaged in the duties of the Advisory Council and shall be entitled to reimbursement for traveling expenses incurred in attendance at meetings of the Council. The Advisory Council shall meet at Washington, District of Columbia, upon call of the Secretary who shall serve as Chairman of the Council. Meetings shall be called by such Chairman not less often than twice each year.

(c) It shall be the duty of the Advisory Council to consult with and advise the Secretary with respect to the administration of this Act.

The explanation presented by Mr. HARTKE is as follows:

PUBLIC REINSURANCE FOR PRIVATE PENSION PLANS

A. PURPOSE OF THE PROGRAM

To establish a Federal system of reinsurance for private pension plans. The program would be financed by premiums to be paid by pension funds as a condition of qualification for favorable tax treatment under the Internal Revenue Code. Such a program would be similar to the program of insurance of deposits in savings banks and savings and loan associations through the Federal Deposit Insurance and the Federal Savings and Loan Insurance Corporations and the insurance of the mortgage obligation to make future payments under the Federal Housing Act.

B. NEED FOR THE PROGRAM

Congress has provided through legislation strong incentives for the establishment of private pension plans. Although the response has been gratifying in terms of the numbers of such plans which have been instituted, the very fact that most pension programs have been in existence for so few years, has created a serious problem. Since most pension plans are newly created they are still far from being fully funded even where a program of funding has been undertaken. In fact, present tax regulations preclude the funding of past service liabilities in less than about 12 years; they do not require that they be funded at all.

As a result termination of a pension plan may mean that the funds accumulated are inadequate to even pay full pensions to those nearing retirement age, let alone to protect the benefit expectations of other workers who may find that the security they thought they had established for their older years, through the accumulation of pension credits, has disappeared overnight. The recent closing of the Studebaker Corp., South Bend, Ind., automobile plant illustrates the problem. Although Studebaker had been funding past service over a 30-year period, the moneys accumulated in the fund are only sufficient to insure benefits (payable at age 65) to workers who are now 60 and over. Workers in their fifties with more than 30 years of pension credits will never receive a single dollar in pension benefits even though they have met the requirements for vesting established by the plan.

The proposal embodied herein would insure to the worker at least some measure of the security which he has rightly come to expect; and because of its self-financing feature would not result in the expenditure of one cent of public funds. It would protect a worker's investment in a pension fund just as his savings are insured if deposited in a savings bank or a savings and loan association which are protected by insurance through a Government corporation. It would also insure the obligations of the fund to make future payments to him just as a mortgagee's right to receive future mortgage payments is insured by FHA.

C. PENSION RIGHTS PROTECTED

It is hoped that within the maximum premium rate set by the bill that all credits earned under all private pension plans will be able to be protected against the risk of termination. If, however, the premium should

prove to be insufficient, the bill establishes a series of priorities for protection.

The highest priority would go to those who have already retired and who are receiving a pension and to those who are eligible to retire under the terms of their plan and who have attained normal retirement age. Next in line for consideration would be those who are eligible to retire by virtue of having attained the age specified in the plan for early retirement. If early retirement is not provided, age 60, the usual age for early retirement, should be used.

Third in line for possible coverage would be those workers whether or not eligible to retire who are over the age of 45 and who therefore presumably will find it impossible to accumulate sufficient new credits to provide adequately for their old age.

Fourth in the line of priorities would be those workers who have reached the age of 40. And last, reinsurance would be provided for all pension credits regardless of the age of the individual at the time of termination. This last classification would of course provide the complete coverage of every earned pension credit referred to earlier as the ultimate goal of this proposal. The desirability of such extensive coverage, if at all feasible, need not be restated.

It should be understood that insurance of credits in the third, fourth, and last priorities would not mean immediate payments from the pension reinsurance system. Payments would only be made when the individual reaches the normal retirement age.

D. PENSION PLANS ELIGIBLE FOR INSURANCE

The proposal contemplates insurance for all private pension plans which qualify under the Internal Revenue Code and which have been in operation and have paid premiums for a specified number of years before the insurance became effective would seem necessary. Such a suicide clause would seem necessary to prevent the establishment of a program with the knowledge that the plan will be terminated for one of several reasons. This would exclude "pay as you go" plans but would include all funded plans whether insured or trusteed. This would include plans which provide for terminal funding, which provide only for the funding of future service liabilities, and which provide for the funding of both past and future service liabilities. It is recognized, of course, that since these different types of plans have significantly different levels of funding, that the unfunded liabilities will vary from plan to plan. Since it is this unfunded liability that will be insured, the amount of the individual plan's premium will be computed on the basis of the amount of unfunded liability.

While the bill proposes to insure all qualified pension plans, further study may prove it necessary to require a reasonable amortization program (30 or 40 years) for past service liabilities. Such a requirement may be necessary if it is determined that the reinsurance scheme would progressively become more expensive because of the large unfunded liabilities of aging firms.

The only limitation which I believe should be placed on this all-inclusive aspect of the insurance is one related to the amount of benefit which any particular plan promises to its members. This would be similar to the limitation of $10,000 of savings which are eligible for insurance under existing programs. Such limitations are set forth in the bill.

E. RISKS AGAINST WHICH THE SYSTEM SHOULD INSURE

The reinsurance system would insure against all risks to earned pension credits if it is to provide a meaningful sense of security to the employee. These risks fall into two categories: (1) risks to the plan which depend on the degree to which it is funded, and (2) risks to the plan which depend on forces outside of it and which operate irrespective of the extent to which it is funded.

A clear example of a risk in the first category would be the termination of a plan because of the business failure of the employer. In such a case the risk insured against would be its unfunded liability which is attributable to the rights which are insured. As previously pointed out, the premium for insurance of this risk would be determined by the amount of unfunded liabilities.

Since the reinsurance plan is basically underwriting the benefit levels set forth in the plan, the amount of the unfunded liability, both for the purpose of determining the liability insured and the premium charged, would be determined on the basis of a set of standard actuarial assumptions. These actuarial assumptions could be determined by the Secretary on the basis of consultation with the Advisory Council established specifically for the purpose of consultation on the proposed program.

When the employer has not gone out of business, but has closed a plant or reduced the work force, continued funding of the past service liability may become such a burden as to jeopardize the existence of the remaining operation. To protect the rights of both terminating and continuing employees, the bill provides that where there is a partial termination, determined in accordance with recent Internal Revenue Service Regulations (code sec. 401(a)(7)), an appropriate portion of the assets would be allocated to the terminating employees. The reinsurance would then pick up any additional liability on behalf of those employees. The employer would continue operation of his plan, with the remaining assets, on behalf of the continuing employees.

Where there is no termination, the program would not be applicable but the per capita past service amortization payment on a plan exceeds some specified percentage (e.g., 200 percent) of the initial per capita past service amortization payment, usually as a result of a severe reduction in the work force, the reinsurance would assume any past service liability financing required which is in excess of the specified percentage.

The second type of risk different from those which we have been discussing and which should be insured against, is the risk of depreciation of the funded assets. The risk involved in the situation is probably very slight and is not dependent on the size of the unfunded liability. The premium for this risk is, therefore, computed separately than the premium for insuring the unfunded liabilities. While the risk here would depend upon the types of assets, it would probably be administratively unfeasible, as well as undesirable to set reinsurance premiums for individual investments at the same time consideration might be given to vary the premium by class of assets; i.e., Government bonds, stocks, mortgages, etc.

Since the premiums established, particularly with respect to the second risk outlined above, may eventually prove to be excessive, the legislation includes a provision authorizing the administrator to provide for the suspension or reduction of either type of premium for a period of time.

F. ESTABLISHMENT AND ADMINISTRATION OF REINSURANCE SYSTEM

The most logical existing agency to administer the system of reinsurance for private pension plans would be the Social Security Administration in the Department of Health, Education, and Welfare. In addition to having the actuarial and technical personnel who are engaged in a similar operation, the administration by the social security offices would provide an opportunity for automatic notification to a prospective pensioner under a private plan at the time he files an application for social security benefits.

The legislation authorizes the Secretary to borrow moneys from the Treasury for the establishment of a reinsurance fund. This money would be repaid by the premiums which the fund would receive and the legislation would thereby achieve a self-financing status at no cost to the public.

SOCIAL SECURITY AMENDMENTS OF 1964—AMENDMENT (AMENDMENT NO. 1174)

Mr. RIBICOFF. Mr. President, pension and retirement programs for firemen and policemen have traditionally been considered separately from other employees. These men face unusual hazards in their daily work, and because of the nature of their jobs, often retire at an earlier age than the rest of the work force. As a result their pension and retirement plans have been developed with regard to their special needs, particularly the likelihood of early retirement.

The social security system is based on a general pattern of retirement at age 65, with the choice in recent years of retiring at age 62 and accepting reduced benefits. Because these retirement ages are generally unrealistic for firemen and policemen, these employees have not previously been included as a class within the social security system if covered by State or local government retirement systems.

In some States a decision has been made that it would be advantageous to extend social security coverage to firemen and policemen, and where this is true, Congress has extended coverage on a State-by-State basis. Some 19 States are now included.

The pending social security bill, however, abandons the State-by-State approach and establishes a uniform program for all firemen and policemen. It is true that under the new provision, those presently employed could elect to remain outside the social security system, but in any municipality a small minority of the firemen or policemen could elect coverage not only for themselves but for all future employees. The result might well be a substantial impairment of the local pension and retirement rights of firemen and policemen in the years to come.

I believe these valiant public servants are entitled to continue under the provisions of law now in existence. I see no justification for changing the rules in a way that might be harmful.

I therefore submit, for appropriate reference, an amendment to H.R. 11865 to strike out the new section changing the social security status of firemen and policemen.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred.

The amendment (No. 1174) was referred to the Committee on Finance.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT (AMENDMENT NO. 1175)

FOREIGN DEVELOPMENT LOANS SHOULD BE GRANTS OR LOANS—BUT NOT BOTH

Mr. GRUENING. Mr. President, I send to the desk an amendment to the

foreign assistance authorization bill, H.R. 11380, which I ask that it lie on the table and be printed at the conclusion of my remarks.

My amendment would increase the rate of interest on development loans to the same amount that it costs the United States itself to borrow money.

In reporting H.R. 11380, three able and distinguished members of the Senate Committee on Foreign Relations, the senior Senator from South Dakota [Mr. MUNDT], the senior Senator from Oregon [Mr. MORSE], and the senior Senator from Ohio [Mr. LAUSCHE], in a cogent minority report, pointed up the problem with our development loans when they stated:

> We cannot justify making grants and calling them loans.

This is exactly what we have been doing in the foreign aid program to the tune of billions of dollars.

The practice has become widespread in the development loan program of automatically granting soft terms on the vast majority of loans made. For example, in the calendar year 1963, $1,057,925,000 in loans were made by the Development Loan Fund at interest rates of three-fourths of 1 percent repayable in 40 years with a moratorium on the repayment of principal for the first 10 years. This amount represents 90 percent of the total amount of loans made under the Development Loan Fund during that year.

Even assuming that these loans will be repaid—and that is an assumption that flies in the face of the financial histories of many of these countries—the more than a billion dollars in development loans made by AID last year alone contains a hidden grant of approximately $800 million which the American taxpayers will have to pay in the many years ahead because we made these soft loans in 1963.

I ask unanimous consent that there be printed at the conclusion of my remarks a list of loans made in calendar year 1963 alone at the rate of three-fourths of 1 percent service charge, repayable in 40 years, with a moratorium on the repayment of principal for the first 10 years.

We are told that the low rate of interest is necessary because the borrowing countries do not have sufficient foreign exchange to pay a higher rate of interest.

A closer examination of the loans made shows that this argument has no substance. Rather it can be said that it has become an almost automatic procedure to grant these loans at these low rates of interest.

Consider the loan made on December 4, 1963, to the Government of Tanganyika for a commodity development training center. The principal sum of this loan was $250,000. Interest on this sum at three-fourths of 1 percent amounts to $1,875. At 4 percent interest per annum, the interest rate would be $10,000. The difference is $8,125. The Government of Tanganyika could raise this additional sum by cutting down on the import of only two Cadillacs a year.

Let us also consider the loan of $350,000 to the Government of Turkey. At three-fourths of 1 percent interest or service charge the interest rate per year would be $2,625. At 4 percent interest the amount would be $14,000 per year. The difference would be $11,375 per year. In his report on our aid program in Turkey in June 1964, the Comptroller General states:

> Because neither the Turkish Government nor the (AID) Mission exercised adequate control over commodity imports and the operations and investment programs of state enterprises, aid funds frequently were used for nonessential or low priority purposes.

This confirms my own evaluation contained in my report of a study of the foreign aid program in 10 Middle Eastern and African countries for the Committee on Government Operations. I stated in my report, with respect to the AID program:

> AID dollars are loaned or granted to aid in a particular country's economic development. To prevent those dollars from being diverted into meeting that country's budget deficit or for the importation of luxury goods, it is essential that firm controls be exercised by AID to follow the dollars and see to it that it is in fact being used for the economic development of the country to which it is loaned or granted. This study indicated that such firm controls are not being exercised.

It is obvious that with a little austerity in its imports Turkey could have managed to discover the additional $11,375 needed to pay the U.S. interest at the rate of 4 percent rather than to expect the United States to make a combined loan-grant to it.

In my report, I stated with respect to these three-fourths of 1 percent loans:

> It is time to stop fooling the American people. These are not loans—they are combination loans and grants—with the grant portion coming close to equaling the amount of the loan.

There is great opposition to this amendment—or, for that matter, to any amendment increasing interest rates on loans under our foreign aid program.

In the recent disaster which befell the State of Alaska, I tried most unsuccessfully to persuade the Administrator of the Small Business Administration to reduce disaster loans from 3 percent to the lesser interest rate we charge under our foreign aid program for loans to aid the private sector of foreign countries—three-fourths of 1 percent. As I said, I did not succeed. My proposal was met with a variety of objections.

First, I was told that these loans did not go to the private sector of the foreign countries—they only ended up there after the foreign government had tacked on a tax in the form of an additional interest rate. That our money was being used to strengthen the private sector of foreign economies was conveniently forgotton.

Then, I was told that I did not have a full appreciation of the thinking of business. I was told that to a businessman, the interest rate was of secondary importance when compared to the other terms offered, that is, the repayment period and any moratoriums on repayment.

But when we seek to increase the interest rate—as I shall do through this amendment—to a rate equal to that paid by the United States on its own borrowings, interest rate becomes a vital matter and we are told that if the amendment succeeds then the foreign nations will be unable to borrow.

This I cannot understand.

Low interest rates are not necessary and are unimportant when they concern Alaska businessmen, stricken by one of the greatest natural disasters to befall any State. But when they concern foreign borrowers, low interest rates become the be-all and end-all of the entire program and we are warned that the program will fall unless the interest rate is kept at three-fourths of 1 percent per year.

This is called having one's cake and eating it, too.

This argument I cannot understand and will not support. If interest rates are unimportant to Alaska businessmen seeking to borrow money from the United States in time of disaster, then they are unimportant to foreign governments seeking to borrow money from the United States to aid the private sectors of their economies.

If the AID administrators are trying to tell the Congress that Tanganyika would turn down the loan of $250,000 from the United States merely because of an annual interest rate increase of $8,105 then they are asking the Congress to believe something that is well-nigh unbelievable.

If there is to be equality of treatment both here at home and abroad then my interest rate amendment should be enacted.

The ACTING PRESIDENT pro tempore. The amendment will be received and appropriately referred; and, without objection, the amendment and list of loans will be printed in the RECORD.

The amendment (No. 1175) submitted by Mr. GRUENING, was received, and ordered to lie on the table, as follows:

On page 1, between lines 6 and 7, insert the following:

"TITLE 1—DEVELOPMENT LOAN FUND

"SEC. 101. Section 201(d) of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended to read as follows:

"'(d) Funds made available for this title shall not be loaned or reloaned at rates of interest excessive or unreasonable for the borrower and in no event shall such funds (except funds loaned under section 205 and funds which prior to the date of enactment of the Foreign Assistance Act of 1964 were authorized or committed to be loaned upon terms which do not meet the minimum terms set forth herein) be loaned at a rate of interest of less than the rate arrived at by adding one-quarter of 1 per centum per annum to the rate which the Secretary of the Treasury determines to be equal to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt, as computed at the end of the fiscal year next preceding the date the application for the loan is approved and by adjusting the result so obtained to the nearest one-eighth of 1 per centum.'"

Redesignate the succeeding sections under part I, accordingly.

The list of loans presented by Mr. GRUENING is as follows:

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at ¾ of 1 percent for 40 years [1] (repayable in dollars)

Country, borrower, and purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
LATIN AMERICA				
Argentina:				
Government of Argentina:				
Central Housing Bank	June 3, 1963	40	¾	$12,500,000
Route 12 road project	Jan. 21, 1963	40	¾	6,700,000
Road program loan	Mar. 18, 1963	40	¾	30,500,000
Feasibilities studies	June 3, 1963	40	¾	3,000,000
Grain storage facilities	Oct. 10, 1963	40	¾	21,700,000
Bolivia:				
Government of Bolivia:				
Access roads	Aug. 1, 1963	40	¾	7,200,000
La Paz-El Alto Highway	Aug. 17, 1963	40	¾	3,400,000
El Alto Customs Center	do	40	¾	2,200,000
Banco Industrial, S.A.: Assist in financing subloans	do	40	¾	2,400,000
Government of Bolivia: Agricutural Bank	do	40	¾	3,700,000
Brazil:				
Credito & Financiamento S.A.: Development bank	Mar. 6, 1963	40	¾	4,000,000
Cia. de Carbonos Coloidois: Carbon black plant	Mar. 11, 1963	40	¾	2,000,000
Government of Brazil: Emergency stopgap assistance	Apr. 24, 1963	40	¾	25,500,000
Super Desenvolvimento, N.E.: Emergency electric power	Oct. 29, 1963	40	¾	2,400,000
Chile:				
Government of Chile: Development program	Jan. 31, 1963	40	¾	35,000,000
Colombia:				
Government of Colombia: Feasibility studies	June 26, 1963	40	¾	4,000,000
National Housing Institute of Colombia: Self-help housing	do	40	¾	7,500,000
Colombia Institute of Agrarian Reform: Supervised agricultural credit	do	40	¾	10,000,000
Government of Colombia: Mineral resources survey	Sept. 18, 1963	40	¾	2,000,000
Costa Rica:				
Banco Nacional de Costa Rica: Agricultural development	July 23, 1963	40	¾	5,000,000
Republic of Costa Rica:				
Slum replacement housing	do	40	¾	2,000,000
Cachi hydroelectric project	do	40	¾	1,500,000
Metro emergency water supply	do	40	¾	1,400,000
IBRC/AIC highway program	do	40	¾	2,100,000
COFISA: Financing subloans	Dec. 23, 1963	40	¾	5,000,000
Dominican Republic: National Housing Bank: Savings & Loan Association	Jan. 2, 1963	40	¾	2,100,000
Ecuador:				
Government of Ecuador:				
Quito-Quevedo road	Sept. 1, 1963	40	¾	2,700,000
Economic and engineering studies	Sept. 4, 1963	40	¾	2,000,000
Administrative and fiscal reform	Sept. 2, 1963	40	¾	1,600,000
El Salvador:				
Republic of El Salvador:				
Primary school construction	Sept. 18, 1963	40	¾	2,400,000
Agricultural loan program	do	40	¾	8,900,000
INSAFI	do	40	¾	4,500,000
Honduras: Government of Honduras: Small water systems	Aug. 22, 1963	40	¾	1,050,000
Jamaica: Government of Jamaica: Project assistance	Nov. 29, 1963	40	¾	1,500,000
Nicaragua: Government of Nicaragua: Las Mercedes Airport	July 25, 1963	40	¾	1,000,000
Panama: Instuto de Acuedictos: Water supply and sewerage system	Feb. 6, 1963	40	¾	6,000,000
Peru:				
Government of Peru:				
Lima water, sewerage	Mar. 15, 1963	40	¾	8,600,000
Feasibility studies	do	40	¾	3,000,000
Uruguay: Banco Hipotecaric del Uruguay: Home construction	Feb. 28, 1963	40	¾	6,000,000
Venezuela:				
C.A. Bank for Economic Integration:				
Feasibility studies	Nov. 29, 1963	40	¾	2,500,000
Home loan department	do	40	¾	10,000,000
FAR EAST				
Korea: Government of Korea: Changsong Coal Mine District	Dec. 7, 1963	40	¾	9,500,000
NEAR EAST AND SOUTH ASIA				
Afghanistan:				
Government of Afghanistan:				
Ariana Afghan Airlines	Mar. 23, 1963	40	¾	2,625,000
Transport equipment	Dec. 3, 1963	40	¾	2,000,000
India:				
Government of India:				
Ramagundam thermal power	May 21, 1963	40	¾	8,400,000
Delhi C thermal power	Mar. 8, 1963	40	¾	16,000,000
Satpura thermal power	do	40	¾	25,100,000
Central Ropeway F project	Oct. 21, 1963	40	¾	7,700,000
Nonproject imports	Feb. 25, 1963	40	¾	240,000,000
Chandrapura thermal stage II	Oct. 21, 1963	40	¾	16,000,000
Fifth railway loan	do	40	¾	15,850,000
Cucga coal washery plant	Nov. 29, 1963	40	¾	5,100,000
Tarapur nuclear power	Dec. 7, 1963	40	¾	80,000,000
NEAR EAST AND SOUTH ASIA—Con.				
Nepal: Government of Nepal: Nepal Industrial Development Corp.	Dec. 8, 1963	40	¾	$1,000,000
Pakistan:				
Government of Pakistan:				
Sawmill and timber extraction	Oct. 23, 1963	40	¾	2,200,000
Malaria eradication program	Feb. 28, 1963	40	¾	3,800,000
Airport and airways equipment	Mar 22, 1963	40	¾	2,100,000
Salin content and reclamation project No. 2	do	40	¾	10,800,000
General commodities, 2d	Mar 27, 1963	40	¾	30,000,000
Chalna anchorage project	Mar 22, 1963	40	¾	3,600,000
Feasibility studies	Mar 27, 1963	40	¾	2,000,000
CPS and Mainl-Rechna DCAB project	Aug. 15, 1963	40	¾	750,000
Coastal embankment project	do	40	¾	6,500,000
General consultants	do	40	¾	4,400,000
3d commodity loan	Sept. 28, 1963	40	¾	70,500,000
General services in public Health	Dec. 9, 1963	40	¾	1,500,000
Investigative services	Nov. 20, 1963	40	¾	5,600,000
5th railway loan	do	40	¾	14,500,000
Telecommunication expansion	Oct. 23, 1963	40	¾	4,700,000
Machinery pool Organization WAPCA.	Dec. 9, 1963	40	¾	5,000,000
Mechanical equipment	Nov. 20, 1963	40	¾	1,500,000
Turkey:				
Government of Turkey:				
Keban and Ciceroz feasibility studies.	July 15, 1963	40	¾	350,000
Feasibility studies	Oct. 15, 1963	40	¾	3,000,000
General commodities	Sept. 11, 1963	40	¾	35,000,000
United Arab Republic-Egypt:				
Government of United Arab Republic:				
Cairo West power project	Feb. 20, 1963	40	¾	30,600,000
Cardboard project	Nov. 12, 1963	40	¾	5,700,000
AFRICA				
Cameroon: Government of Cameroon: Extension of railway system	Aug. 27, 1963	40	¾	9,200,000
Ethiopia: Government of Ethiopia: 3d highway program	Dec. 2, 1963	40	¾	4,000,000
Ivory Coast: Government of Ivory Coast: Highway equipment	Nov. 29, 1963	40	¾	1,700,000
Liberia:				
Government of Liberia: National medical center	Dec. 5, 1963	40	¾	5,300,000
Monrovia Power Authority: MT coffee hydroelectric project	Sept. 26, 1963	40	¾	24,300,000
Government of Liberia: Monrovia Junior-Senior High School	Oct. 23, 1963	40	¾	1,700,000
Mali:				
Government of Mali:				
Teachers Training College	Dec. 4, 1963	40	¾	2,100,000
Central Veterinary Laboratory at Bamako	do	40	¾	1,100,000
Niger: Government of Niger: Development bank	Dec. 14, 1963	40	¾	500,000
Nigeria:				
Government of Nigeria:				
Ibadan water supply	Dec. 4, 1963	40	¾	12,100,000
Calabar-IKCM Road	do	40	¾	8,600,000
Somalia: Government of Somalia: Chisimaio port	do	40	¾	3,600,000
Sudan:				
Government of Sudan:				
Industrial development bank	July 14, 1963	40	¾	2,000,000
Khartoum sewerage	Dec. 7, 1963	40	¾	3,800,000
Tanganyika:				
Government of Tanganyika:				
Cares Salaam water supply system	May 20, 1963	40	¾	2,200,000
Urban water supplies	Dec. 4, 1963	40	¾	1,300,000
University college	Oct. 9, 1963	40	¾	800,000
Teacher training college	Dec. 4, 1963	40	¾	800,000
Commodity development training center.	do	40	¾	250,000
Agricultural college	do	40	¾	1,250,000
Program loan	Dec. 6, 1963	40	¾	1,000,000
Electrical equipment	do	40	¾	300,000
Tunisia:				
Government of Tunisia:				
Water and irrigation projects	Feb. 15, 1963	40	¾	2,400,000
Commodity assistance	June 20, 1963	40	¾	15,000,000
Construction of university	Oct. 31, 1963	40	¾	1,800,000
Agricultural equipment	do	40	¾	6,500,000
Uganda:				
Government of Uganda:				
Development bank	Oct. 4, 1963	40	¾	2,000,000
Secondary schools	Oct. 11, 1963	40	¾	2,400,000
Grand total for all countries				1,057,925,000

[1] Source: "Status of Loan Agreements" (W-224), Agency for International Development, as of Mar. 31, 1964, Office of the Controller, AID.

	Total amount
Argentina	$74,400,000
Bolivia	18,900,000
Brazil	33,900,000
Chile	35,000,000
Colombia	23,500,000
Costa Rico	17,000,000
Dominican Republic	2,100,000
Ecuador	6,300,000
El Salvador	15,800,000
Honduras	1,050,000
Jamaica	1,500,000
Nicaragua	1,000,000
Panama	6,000,000
Peru	11,600,000
Uruguay	6,000,000
Venezuela	12,500,000
Korea	9,500,000
Afghanistan	4,625,000
India	414,150,000
Nepal	1,000,000
Pakistan	169,450,000
Turkey	38,350,000
United Arab Republic (Egypt)	36,300,000
Cameroon	9,200,000
Ethiopia	4,000,000
Ivory Coast	1,700,000
Liberia	31,300,000
Mali	3,200,000
Niger	500,000
Nigeria	20,700,000
Somalia	3,600,000
Sudan	5,800,000
Tanganyika	7,900,000
Tunisia	25,700,000
Uganda	4,400,000
Total	1,057,925,000

INTEREST EQUALIZATION TAX ACT—AMENDMENTS (AMENDMENT NO. 1176)

Mr. GORE submitted amendments, intended to be proposed by him, to the bill (H.R. 8000) to amend the Internal Revenue Code of 1954 to impose a tax on acquisitions of certain foreign securities in order to equalize costs of longer term financing in the United States and in markets abroad, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICE OF HEARINGS ON SENATE RESOLUTION 204, RELATING TO PERSECUTION BY THE SOVIET UNION OF PERSONS BECAUSE OF THEIR RELIGION

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the committee will hold a public hearing on the resolution (S. Res. 204), condemning persecution by the Soviet Union of persons because of their religion, beginning at 10:30 a.m. in room 4221, New Senate Office Building, on Monday, August 10.

NOTICE OF CANCELLATION OF HEARINGS ON S. 823, TO PROVIDE FOR THE APPELLATE REVIEW OF SENTENCES IMPOSED IN CRIMINAL CASES ARISING IN THE DISTRICT COURTS OF THE UNITED STATES

Mr. JOHNSTON. Mr. President, on Tuesday, July 28, 1964, I announced that hearings had been scheduled for August 6 and 7, 1964, before the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary to hear testimony on S. 823, a bill providing for the appellate review of sentences imposed in criminal cases in Federal district courts.

These hearings as previously noticed have been canceled and will be rescheduled at a time and place later to be determined.

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, without amendment, the following bills of the Senate:

S. 2218. An act to authorize the Secretary of the Interior to accept the transfer of certain national forest lands in Cocke County, Tenn., for purposes of the Foothills Parkway, and for other purposes;

S. 2339. An act conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of Sarpy County, Nebr.; and

S. 3001. An act to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 2215) for the relief of E. A. Rolfe, Jr.; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASHMORE, Mr. DOWDY, Mr. LIBONATI, Mr. SHRIVER, and Mr. KING of New York were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10199) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1965, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NATCHER, Mr. GIAIMO, Mr. MAHON, Mr. WILSON of Indiana, and Mr. WYMAN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate numbered 1 through 28, inclusive, and the amendment of the Senate numbered 38 to the bill (H.R. 10723) making appropriations for the legislative branch for the fiscal year ending June 30, 1965, and for other purposes; that the House disagreed to the amendments of the Senate numbered 29 through 37, inclusive, and the amendments of the Senate numbered 39 through 47, inclusive, to the bill; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEED, Mr. KIRWAN, Mr. MAHON, Mr. HORAN, and Mr. LANGEN were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 978. An act to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel;

H.R. 5302. An act to direct the Secretary of the Interior to convey certain lands in the Newton area, California, to Clarence J. Wilder;

H.R. 6007. An act to permit the vessel SC–1473 to engage in the fisheries;

H.R. 8523. An act to authorize the conveyance of certain lands to the city of Saxman, Alaska;

H.R. 8654. An act to terminate a restriction on use with respect to certain land previously conveyed to the city of Fairbanks, Alaska, and to convey to said city the mineral rights in such land; and

H.R. 10973. An act to provide for the disposition of judgment funds on deposit to the credit of the Lower Pend D'Oreille or Kalispel Tribe of Indians.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 3, 1964, he presented to the President of the United States the enrolled bill (S. 978) to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mrs. NEUBERGER:

Transcript of program entitled "Salesman of Sorrow," broadcast by ABC on Sunday, July 26, 1964, dealing with frauds on the elderly.

THE FUNCTION OF THE SUPREME COURT

Mr. ERVIN. Mr. President, the Charlotte News, of Charlotte, N.C., merits the gratitude of our country for its efforts to preserve the system of government ordained by the Constitution of the United States. In its issues of July 7 and 8, 1964, it contained some trenchant editorials concerning the current tendency of the Supreme Court to transgress its judicial function, which Justice Sutherland rightly defined in these words:

> The judicial function is that of interpretation; it does not include the power of amendment under the guise of interpretation.

These editorials merit the thoughtful consideration of all Americans concerned with the place assigned to the Supreme Court by the Constitution.

For this reason, I ask unanimous consent to have them printed in the RECORD.

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

[From the Charlotte News, July 7, 1964]

THE AGONY OF DEMOCRACY—1

A respected professor of government at a large university, amplifying on recent criticism of the Supreme Court, made this observation: "The interesting thing, the im-

portant thing is that it is no longer just the conservatives and the strict constitutionalists who are unhappy with the Supreme Court. It is the liberals now, the Court's old friends, as much as anyone else."

This is an interesting truth. One of the more comprehensive criticism of the Court's latest apportionment decision came from Alexander Bickel in the liberal-oriented New Republic. Mr. Bickel, a recognized constitutional authority, charged that the Court was making the same mistake now that it had made two generations ago when it approved "good" strikes and disapproved "bad" strikes. This intolerable situation, Bickel wrote, "was not cured without endangering the entire place of the Federal judiciary in the American system, with all its many valuable functions."

The warning is no less sharp for being implicit. The Supreme Court has traveled a long way down the road of absolutism. In the process it has lost much of the respect and public confidence that De Toqueville wisely observed is its only real source of power. History tells us that democracy is at its worst when one branch of government oversteps its proper bounds. History warns us that the means of redress may prove incalculably harmful to democratic institutions.

What is wrong with the High Court? In its latest reapportionment decision can be detected the habits of thinking than had so shaken and disillusioned its friends.

In its historic *Baker* v. *Carr* decision in 1962, the Supreme Court seemed to circumscribe carefully its position. It said that Federal and State courts really did have jurisdiction over the apportionment of State legislatures. It said that it was possible for State legislatures to malapportion in such a way that the equal protection clause of the 14th amendment would be offended. Without laying down specific guidelines, it warned the States to get busy correcting gross inequities.

This was powerful medicine. The Court had heeded in the past Justice Frankfurter's warning to stay out of "that political thicket" of apportionment. But this time, without precedent, it ventured into the thicket. It did so because there was no other remedy for voters who were helpless to turn to the very men who were disfranchising them—the State legislators. Robert G. Dixon, Jr., writing in "Law and Contemporary Problems," aptly described the situation as an "agony of democracy. * * * The Supreme Court finally concluded that some judicial participation in the politics of the people * * * was a precondition to there being any effective politics."

Critics who were wary of the Court's plunge were heartened by the restraints which the Court seemed to impose upon itself. Its target was "invidious" discrimination in apportionment. *Baker* v. *Carr* seemed to say that rational plans of apportionment might not be unconstitutional. Paul Freund, the Harvard University professor of law who himself has been mentioned for a Supreme Court post, was emboldened to assume that the Court would not go too far in laying down ironclad strictures: "The future will test the Court's resourcefulness in defining the rational bounds of patterns of discrimination without resorting to the simplistic criterion of one man-one vote," he wrote in the University of Pennsylvania Law Review. That criterion is meaningful in an election for a single State but question begging in the case of a collegial body to be chosen with a view to balanced representation."

Yet in its latest decision, the Court blithely imposed precisely that simplistic criterion—one man-one vote. It assumed that this concept was somehow embedded in the Constitution. It grandly lofted this assumption in the face of Justice Stewart's horrified reminder that one man one vote "was not the colonial system, it was not the system chosen for the National Government by the Constitution, it was not the system exclusively or even predominantly practiced by the States at the time of the adoption of the 14th amendment, and it is not predominantly practiced by the States today."

In one stroke the Court had outlawed apportionment in virtually all of the State legislatures, many of which had moved after *Baker* v. *Carr* to enact rational apportionments. North Carolina thought its constitution's plan for apportioning the house on basis of population and geography was rational. It did not believe that this plan, once belatedly made operable, constituted invidious discrimination against anyone. But the Court had moved far beyond its position in 1962, leaving its own restraints torn, bleeding, and abandoned in the wake.

Critics of the Court's latest decision are not necessarily critics of the principle of one man one vote. This newspaper, for instance, regards population generally as the fairest basis for apportionment. During the debate over the "Little Federal" amendment in North Carolina earlier this year, we urged the voters to reject a scheme by the rural interests to perpetuate a historic advantage in apportionment by gerrymander. The people of the State turned down the rural-backed amendment in a referendum—a valid exercise of the democratic process.

Now, what the Court is saying is that one man-one vote is a constitutional imperative no matter what the people of a State might choose to do. Referendums to the contrary are hereby outlawed. It is this arrogant interference into the political processes that we find objectionable. It is the almost casual assumpton of the Court that it is the repository of all political wisdom that has brought down upon its head this heavy barrage of criticism.

A cynical and arbitrary disregard of the vital democratic processes, a placid assumption that variances between the States are inconsequential—these are the habits of thought that have brought the Court to a point of real peril in the middle of the 20th century.

And he who thinks that the Court need not take account of the gathering criticism of its friends has not read his American history.

[From the Charlotte News, July 8, 1964]

THE AGONY OF DEMOCRACY—2

Perhaps, at bottom, the most distressing thing about the Supreme Court's latest apportionment decision is that the Court went where it did not have to go—and that the Court's majority plainly either does not perceive this or does not care.

Prof. R. G. McCloskey, writing in the Harvard Law Review shortly after the *Baker* v. *Carr* decision, noted that "an astonishing spirit of compliance" had been aroused among the States. The Court had succeeded in "opening up the processes of popular consent," McCloskey wrote. Here, apparently, was the resolution of what Robert G. Dixon, Jr., called "the agony of democracy." For if legislative bodies respond to the prod of the judiciary to function more equitably or more responsibly, the legislative process has been enriched and the judicial process reaffirmed.

What the Court did in its latest apportionment decision was to negate all of this by telling State legislatures—not what they cannot do on pain of defrauding the Constitution—but what they must all do, each substantially the same, in order to satisfy the dubious constitutional principle of one man-one vote. The Court showed itself utterly insensitive to the political processes it was assumed to be stimulating. Once again it failed to show restraint where restraint was sorely needed. Once again it exhibited habits of thought that do violence to the democratic processes and to the individuality of the States.

These habits have been acquired largely in the past decade. The controversial *Brown* v. *Board of Education* decision of 1954 did not reveal them. Here the Court relied at least on recent precedent in declaring forcible school segregation unconstitutional. Here it returned the problem to the localities for the supervision of the lower courts. Here it avoided solution by judicial formula in favor of "all deliberate speed." Here, in short, the Court exercised restraint.

It has not done so lately. Its more recent decisions on school desegregation have raised the fear that what had begun as a judicial prohibition against school segregation has become a judicial demand for school integration. Will it be possible tomorrow for the States to have desegregation plans at variance each with the other? Or will the Court, following its absolutist trend, decide 1 day after every State must integrate its schools in a prescribed manner by a prescribed date?

Such a decision hardly seems farfetched now. Look at the pattern of other recent court decisions. The Court reached far out to impose absolutist rules applying to religious observances in public schools, a decision that rubbed harshly against the grain of American public opinion. And its extension of the privileges of the fifth amendment to all defendants before State courts seemed to suggest a similarly absolutist approach to the problem of criminal procedure.

Most alarming of all, because so unnecessary was the length to which the Court went in ordering the public schools of Prince Edward County reopened. The Court might have achieved this undoubtedly good effect quite easily by holding the State of Virginia responsible for the upholding of its own constitutional mandate to "operate a system of public schools." The Court went a step further. Prince Edward County had an obligation to appropriate money for those schools it declared, and left the matter with the plain implication that the lower Federal courts have the right, if necessary, to specify what the county boards of supervisors must appropriate for and how much they must appropriate.

The conclusion is inescapable that the Court has cast itself as the moral equalizer in this country. In so doing it has gotten deeply involved in political processes—deeper and deeper into Justice Frankfurter's thicket. It is going where it ought not to have to go and, in some cases, where it does not have to go.

New York Times writer Anthony Lewis, himself something of an expert on the Supreme Court's doings, described the Court's liberal friends as "stunned" by the latest reapportionment decision. "They approve of where the Court is going, but they hope it will take care not to try to go too far too fast—for the sake of self-preservation if for no other reason."

History has not treated kindly Supreme Courts that have taken too many prerogatives to themselves. The Dred Scott decision (1857), which Justice Hughes regarded as the "most ill advised opinion ever handed down by the Supreme Court," simply could not be enforced. Flouting of the Court's opinion here bordered on anarchy and left the Court virtually powerless during the Civil War.

In the early years of the 1930's a series of decisions in which the Supreme Court struck down New Deal legislation led to Franklin D. Roosevelt's Court-packing plan. While the Roosevelt scheme for bringing the Court more in line with the direction of public opinion fortunately failed, the Court reversed its field with unbecoming alacrity and shamelessly undid its recent work. It was a

long time before public respect for the Court was restored.

In both of these cases, particularly the latter, the Court conceived of its role as a kind of super-legislative body. In the anti-New Deal cases, the Court applied obsolete economic theory to shackle the legislative processes of a Congress that was dealing with real problems of its day.

Many close observers of the Court today believe that we are seeing a reemergence of this concept of the all-powerful Court. Instead of using these assumed powers to strike down congressional legislation, today's Court is legislating for the legislators. Confronted with the extreme exercise of rulemaking typified by the recent apportionment cases, we are forced to agree with the Court's present-day critics.

What does all of this augur for the Supreme Court? The dangers can be seen in faint outline in the efforts to amend the Constitution to permit school prayers—efforts that bear within them the seeds of danger for the first amendment. It is not possible to guess what form further reaction against the Court may take, but it should be clear that the Court proceeds in grave danger of losing the public esteem without which its powers are enfeebled.

It all comes down to the properly jealous regard the people have for the powers of their elected representatives. If these powers are flouted too often and too flagrantly by a court which has lost its self-restraint, we can expect legislative countermeasures. This is what Mr. Lewis' friends of the Court fear when they ask the Court to look to its self-preservation.

Writing of the analogy between the earlier anti-New Deal Court and the present Court, Alexander Bickel observes: "It was not satisfactory then, and it will not prove satisfactory now to leave final decisions of such pragmatic questions to lifetime Federal appointees responsible only to other lifetime appointees in Washington." With this opinion and with the sad doubts it implies, we fully concur.

PUBLIC UNDERSTANDING OF POLITICAL EVENTS AND PROCEDURES

Mrs. NEUBERGER. Mr. President, as public officials, we are concerned with public understanding of political events and procedures. Many have thought that if the public had a better understanding of the responsibilities and difficulties facing their legislators more effective government would result.

As a contribution to this political education, I ask unanimous consent that the following excerpt from the very informative book written by Charles L. Clapp, "The Congressman: His Work as He Sees It," be printed in the RECORD.

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

[From the Christian Science Monitor, July 28, 1964]

THE CONGRESSMAN AND HIS WORLD

When a new Congressman comes to Washington to take his seat in the House of Representatives he finds that he is expected to make his own way in the political and legislative world. The House provides the newcomer with little guidance on the most important problems that concern him: how to obtain choice committee assignments, how to recruit a superior office staff, and what he can anticipate congressional life to be like.

Early in his career the Congressman also faces a difficult decision for which he is inadequately prepared. He finds he must choose between achieving a position of power and influence within the legislative body or seeking to affect public policy by issuing frequent pronouncements aimed at a larger, national audience.

* * * * *

Most Congressmen find that their office staffs are entirely occupied with district work and [illegible] problems. Mail is a heavy burden though it may be a source of ideas or a guide to voter sentiment. No Congressman dares ignore it, and all mail—no matter how bizarre the request, how snide the criticism, how stereotyped the comment—must be answered.

A second aspect of the difficulty of fulfilling legislative responsibilities effectively is the increasing complexity of public issues. One legislator commented:

I am appalled at how much Congressmen are expected to do for the Nation. We have to know too much. We have to make too many decisions. No matter how hardworking and conscientious a Congressman is, no matter how much homework he does, he just can't master these problems. We just don't have the time to keep informed properly.

* * * * *

In fulfilling his legislative role, the Congressman finds attendance at House sessions an important way to develop knowledge of House rules and parliamentary tactics, and to obtain background on some key issues that arise year after year. But as for the effectiveness of debate itself in determining final votes, the prevailing view is that few votes are swayed. "Most House Members will be more impressed by who is making a speech than by what is said on the subject."

Voting, the final act of the legislative role, is taken seriously, especially when a controversial issue is involved, but on many questions the vote itself does not always mean what it seems to mean. Measures may be passed by one body by large margins because of assurances that the other body will scuttle them.

* * * * *

One Member summed it up:

You've got to realize that not only are we sitting there trying to analyze legislation, trying to do the best job we can, but that factors other than absolute reason are always entering the situation. We are not * * * in an academic environment, secluded from pressures and other factors which may not be completely relevant to the situation at hand. We are operating in a political environment, surrounded by lobbyists, constituents, the leadership, and jangling telephones and we virtually have no time alone to think and reflect upon the problems before us. The big miracle is that somehow all of this works.

The committee system is the crux of the legislative process; a person's congressional career may rest largely on the kind of committee post he is given. Freshmen are likely to find the assignment procedure far more complex than they had expected.

In both parties, there is criticism that committee appointments are made in effect by the party leadership as part of a political strategy of their own making—by weaving together strands of regional and State demands, administration interests, committee chairmen's preferences, personal likes and dislikes, and occasionally the "rights" of seniority.

As a result, the factors influencing committee assignments are far from constant; perhaps the only certainty is that a good assignment is worth striving for, because it is in the committee rooms that the real work of Congress is done.

Committees are virtually autonomous bodies, hiring their own staffs, establishing their own rules of procedure, proceeding at their own pace for the most part and resisting, on occasion, the urgings of the leadership or the administration.

They work best in closed rather than open sessions, since partisan stances can often be sublimated and an atmosphere conducive to thought consideration of legislation is more likely to prevail.

* * * * *

Committee chairmen rank high among the most influential Members of Congress. Sometimes respected, sometimes feared, often criticized by their colleagues, the majority have learned well the traditional privileges of their station.

A chairman's power stems from his authority to call meetings (or not), to establish subcommittees (or not), to decide the order in which bills will be considered, to approve travel orders, to handle legislation on the floor.

* * * * *

It is in the area of committees rules of procedure that many Members think corrective action might be taken. "Rules of committees are designed to take the sting out of seniority and clip the wings of an arbitrary, negativist chairman," commented one man.

* * * * *

The leadership in the House is diffused—divided among elected leaders, Members who have risen to power by means of seniority, and a few individuals who are influential because of their personality and expertise although they do not enjoy official standing in the House or party hierarchy. In recent years, the formal instruments of leadership, such as the party caucus and the policy committee, have not been central elements in its exercise, although the Republicans are now according the conference and policy committee important responsibilities. The absence of official party apparatus that could give direction to the elected leaders has strengthened the hand of the Speaker and the majority leader, increasing their authority and freedom of action.

* * * * *

Congressmen find that the election process never ends. As one observed, "You should say 'perennial' election rather than 'biennial.' It's with us every day."

* * * * *

Regarding the chances for reelection, Members agree that incumbency is a great advantage. They feel that, by and large, State and local political groups do not concern themselves with congressional elections and that the two national committees are relatively useless. The large majority of Members accept the view that the "image" the voter has of the contestants is more important than the issues in determining the outcome: "The people back home don't know what's going on. Issues are not most important. * * * If voters feel the candidate is conscientious and is trying hard to serve them, then that man has a good chance of coming back."

In creating a favorable image, must a Representative follow the preferences of his district in voting, or does he have unusual latitude in making up his own mind? Opinions vary. One argument runs:

I think you can vote pretty nearly the way you want to vote on the issues. The people don't expect you to agree with them on every issue, and they respect you for arriving at your independent judgment. You must demonstrate that you are conscientious, however, and that you are able to arrive at a reasonable and intelligent judgment.

The other argument runs: "You cannot buck district sentiment on certain issues." Or, "A politician's first duty is to get reelected and I think this sometimes requires casting votes you might prefer not to cast."

To which is countered: "You are not just down here getting yourself reelected; you are here standing for a party which is supposed to have a definite philosophy." Or: "What good is it to be reelected if you are not willing to stand up on issues which are important."

In sum, Congressmen and congressional wives who participated in the Brookings study make clear that the life of a House Member is not an easy one. He works long hours but never can meet the many demands on his time. No matter how effective he is and how much he accomplishes, he can never satisfy all of his friends and constituents. He can seldom fully anticipate his schedule, being constantly subject to the whims of others. His job will not make him rich and the position he holds is not accorded the respect and deference by the public to which he thinks it entitled. Tension, if not conflict, is a dominant element in his life.

But after all the complaints have been aired, important compensations remain: the challenge of the work, prestige, and the satisfactions that come from active participation in important decisions of Government. Politics "gets in the blood," as one said. "There is an emotional excitement in being here," said another. "You are on the board of directors of a $100 billion a year corporation," said one. "Occasionally," said another, "perhaps just once or twice a session, you * * * are able to think of yourself as one tiny particle in the whole stream of history. * * * The hard work falls away, and the tension is relaxed, and you have a sense of purpose that I don't think you find in any other profession."

YESTERDAY'S NAVAL ENGAGEMENT OFF VIETNAM COAST

Mr. CHURCH. Mr. President, yesterday's naval engagement in the Gulf of Tonkin only underscores the fact that most of the American people continue to hope for a solution in South Vietnam which does not include an expansion of the war outside the borders of that country, or a drastic extension of American military involvement in South Vietnam itself.

Those who have studied the Vietnamese situation realize that the problems to be met in that country are as much political and economic as they are military. We must continue to work to help the South Vietnamese Government develop the political and economic programs which will enable it to engender the popular support it needs to successfully prosecute the war.

As the New York Times commented editorially on July 29:

The new American buildup is a call to the South Vietnamese to buckle down to their real tasks at home, rather than to hope for a "simple" way out. Attacks on North Vietnam are less sure to end the war than they are to enlarge it and endanger the peace of the world.

Some of the articles and editorials on our situation in Vietnam and Asia which I have found relevant and worth while are: The editorial entitled "Reinforcing Vietnam" published in the July 29 New York Times; William F. Johnston's editorial entitled "The U.N. Looks at Vietnam," published in the Lewiston, Idaho, Morning Tribune; an editorial published in the Idaho State Journal entitled "The Campaign and Vietnam"; an editorial entitled "The Risk of War," which was published in the Washington Post; a letter written by C. F. Baldwin, U.S. Ambassador to Malaysia from 1961 to 1964, which was published in the Washington Post; and an editorial entitled "The Silver Flash," published in the Christian Science Monitor.

I ask unanimous consent to have these articles printed in the RECORD.

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

[From the New York Times, July 29, 1964]

REINFORCING VIETNAM

The American military and civilian personnel buildup, which seems to take the United States deeper into the war in South Vietnam, is intended to do just the opposite. The policy it is designed to further is one of denying southeast Asia to communism without involving American troops in major combat—of containing aggression within South Vietnam, rather than extending the war to the north.

That policy is in serious trouble. But its chief architect, General Taylor, has become its chief administrator as the American Ambassador in Saigon. And he now is being given a major increase in personnel, as originally recommended by Ambassador Lodge and the Honolulu conference in June, to see if the existing policy can be made to work.

The buildup, which will bring a one-third rise in the 16,000 American troops in Vietnam, will put more American military advisers into the field alongside more Vietnamese battalion and militia commanders. It will also station more American civilian advisers in the provinces to help improve Vietnamese administration in agriculture, health, economic development, and social aid.

There should be useful side effects. The American commitment to South Vietnam, if ever doubted by Hanoi and Peiping, now has been restated in an unmistakable way. And there should be a lift for sagging morale in South Vietnam. In recent weeks this dip in morale has brought General Khanh under pressure from the important army elements, some of which want to extend the war to the north.

To appease this sentiment, to project a more martial image to discontented civilian leaders and, perhaps, to test how far Washington might be pushed, Saigon's Premier recently has been urging a "march to the north," knowing that it would be suicide without large-scale American support. That advocacy, repeated again yesterday, has brought General Khanh into conflict with Ambassador Taylor. And President Johnson last week made it clear that while "provocation [from North Vietnam] could force a response," the United States "seeks no wider war."

The new American buildup is a call to the South Vietnamese to buckle down to their real tasks at home, rather than to hope for a "simple" way out. Attacks on North Vietnam are less sure to end the war than they are to enlarge it and endanger the peace of the world.

[From the Lewiston (Idaho) Morning Tribune, July 9, 1964]

THE U.N. LOOKS AGAIN AT VIETNAM

A whole series of diplomatic developments have focused renewed emphasis upon the possibility of United Nations intervention in the war in Vietnam.

Secretary General U Thant's call yesterday for a new Geneva conference on the war was significant, both on its own account and in relation to other trends around the world.

If the parties involved in the war could reach an agreement, Thant said, the U.N. could play a role in seeing that the agreement was carried out. "Even at this late hour," he said, some means might be found to end the war.

Thant's proposal was aired on the same day that Soviet Premier Nikita Khrushchev accused the United States of "waging a murderous war of aggression" in South Vietnam. He said that "interference by aggressive imperialist powers may kindle a war fraught with dangerous consequences." He repeated that the Soviet Union is opposed to "aggressive, predatory wars," but supports "wars of national liberation, wars when oppressed people rise against their oppressors, colonialists, and imperialists." Such wars as these, he said, "we regard as sacred. We support the people who take up arms and uphold their independence and freedom, and we support them not only in words, but by concrete deeds."

While Khrushchev may well change the tone of his warnings within a week or a month, his statement seems to deflate considerably the U.S. hope that he is not much interested in supporting the Chinese Communists in Vietnam and Laos. American policy in southeast Asia is linked to an important degree to the hope that the Soviet Union would not underwrite in a showdown the Chinese design to conquer southeast Asia for communism. America's vital interests as a Pacific power are involved in the struggle to prevent the fall of southeast Asia to world communism. The fateful decision may have to be made to risk war even with the Soviet Union if necessary to prevent such a calamity. But Khrushchev's statement would seem to intensify the risks.

Another potentially significant development was the Soviet proposal Tuesday to establish a permanent U.N. military force to intervene when necessary to prevent small wars from expanding into big ones. The objective here is of crucial importance to the preservation of peace. The methods proposed by the Soviet Union contain dangerous booby traps. The Soviets' insistence that the U.N. Security Council would have to approve the assignment of the U.N. force to any arena of conflict naturally would give Russia a veto power over such actions—and this would be unacceptable to the Western Powers. However, the proposal may indicate a Soviet willingness to begin looking realistically at a problem of fundamental importance. Possibly—just possibly—the proposal could be modified through negotiation to provide a start toward an effective U.N. peacekeeping force.

Meanwhile, in the United States, some of the Senate's most thoughtful and best informed students of foreign affairs have been warning that the United States must reconsider its unilateral role in Vietnam. Senator J. W. FULBRIGHT, chairman, and Senator FRANK CHURCH, a member, of the Foreign Relations Committee, for example, have urged this country to try again to bring the U.N. into the explosive southeast Asia situation. They have reminded that France suffered 75,000 casualties trying to defend Vietnam from Communist conquest and finally failed. They have questioned the right of the United States to assume the authority to intervene with military force in a situation which is only partly a war of external aggression and in large part a civil war.

These Senators have not offered conclusive answers, of course. If there were a simple, entirely right solution to the Vietnam problems it would have been discovered years ago. Every course the United States might choose is dangerous. The U.N. is not equipped to go beyond the supervision of a negotiated agreement, as Thant made clear. Any negotiated agreement is likely to be just a way station along the route of the Communists' determined march to conquer all of southeast Asia.

Nor does it necessarily follow that the U.S. policy of unilateral intervention with major force is entirely incompatible with

a long-range hope for U.N. intervention. Perhaps the U.N. could not intervene effectively until the Communist powers were fully convinced that the United States is willing to risk global war if necessary to protect its stake in Asia.

In any event, new developments seem to be reviving the possibilities of U.N. involvement in Vietnam. The developments should be watched closely by Americans. The country at least can hope that political oratory at home during the coming campaign season will not distort or oversimplify the complex issues of the dilemma of southeast Asia.

[From the Idaho State Journal, June 26, 1964]

THE CAMPAIGN AND VIETNAM

When Henry Cabot Lodge said the other day he didn't see how the war in South Vietnam could be an issue in the presidential campaign, he was indulging in wishful thinking. The issue already has been injected into the campaign by Senator BARRY GOLDWATER and Gov. William Scranton, and Americans can expect it to be brought up repeatedly and with a good deal of fervor. What voters should weigh carefully is how much blame can and cannot be assessed in a situation in which we have not made a total war effort.

The American people and especially the leaders of the political opposition are fond of demanding total victory in any military venture in which this country is engaged. After defeating powerful enemies in two controversial world wars, we want no partial victories and no standoffs, even in unconventional engagements far from our own shores.

The battle in South Vietnam is different from any we have been involved in before. As described by a reporter who covered it, the war "flashes like heat lightning across the landscape," breaking out now here and now there, even to the gates of and inside Saigon itself. Crafty Communist forces strike out quickly and are as quickly gone, sometimes carrying away their dead to conceal their losses. The Vietcong enemy is a smart and elusive fighter, well-armed and thoroughly indoctrinated in a program at the village level of many years standing.

Many of our Vietnamese friends, on the other hand, care little about what kind of system they live under. They have scant conception of freedom and they do not feel much allegiance to a central government. It is to this kind of ally we have sent some 16,000 military men and some 200 civilians to distribute aid, to train and to advise. Obviously, this has not been enough to drive the Communists out of South Vietnam, and we will be hearing about this failure in the months before November and possibly long after that.

What have been some of the alternatives? We could have sent many more fighting men and poured many more millions of dollars into the battle, and we may yet do it, if the appointment of a distinguished general as ambassador to South Vietnam is any indication. We could have pushed the war into North Vietnam and thus risked the intervention of Communist China and the Soviet Union, and we may yet do that. Or we could have embarked upon a massive educational and indoctrinational program of our own, sending far more than a paltry 200 civilians into the field to work closely with the Vietnamese people.

Some of these measures would require far greater expenditures of blood and resources than we have been willing to commit, as Ambassador Lodge pointed out, under the Truman, Eisenhower, Kennedy and Johnson administrations. The educational program undoubtedly would take years to show results.

We are thus faced with a situation about which it is easy for candidates to demand explanations for failure. At the same time, it is not easy to suggest solutions that will not require far greater outlays of men and money and the acceptance of far greater risks. And it should be remembered that the candidates who demand the explanations do not bear the responsibility for formulating and carrying out policy and accepting the risks.

The debate on the Vietnam issue, then, should be watched closely not only for the criticism it will bring but for the definite alternatives that should be suggested if the debate is to be meaningful and valid and informative to the American people.

[From the Washington Post, June 30, 1964]

THE RISK OF WAR

President Johnson plainly intended in his Minneapolis address to present a double emblem of American policy in southeast Asia—the emblem of the olive branch no less than the sheaf of arrows. Inescapably, news accounts focused on the arrows, because for the first time the President has said in public what his aids have been stressing in private. "Today, as always," Mr. Johnson said, "if a nation is to keep its freedom it must be prepared to risk war."

Assuredly, the President has a double purpose in emphasizing the very real hazard of war in southeast Asia. The first is to drive home to Hanoi and Peiping the earnestness of American warnings, which have already been conveyed in a multitude of other ways. And the second is to prepare American opinion for the possibility that once again American forces may be involved in a major military venture on the Asian mainland.

Yet if the President's mind was fixed on the need to make clear U.S. determination, his heart was obviously in statements intended to make equally clear U.S. restraint. He opened and closed with Biblical references, and his final quotation—"Blessed are the peacemakers; for they shall be called the children of God"—was scarcely the theme one would expect in a purely bellicose call to arms.

The parallel that Mr. Johnson has in mind in viewing southeast Asia is the Cuban missile crisis. "We do not advance the cause of freedom by calling on the full might of our military to solve every problem," he said. "We won a great victory in Cuba because we stood firm without using force."

It might be useful to ask, however, whether this comparison does not show the special peril of the present impasses. After all, throughout the Cuban crisis the United States was in constant direct contact with its Soviet adversaries; moreover, the confrontation took place against a clearer understanding of Soviet purposes and tactics gained through realistic on-the-spot appraisals.

In dealing with Peiping and Hanoi, the United States enjoys no such experience of direct contact and must use diplomatic mirrors to assure that signals from Washington reach hostile capitals. This is one melancholy consequence of a sterile policy of nonrecognition which has cut us off from firsthand knowledge and has made direct communication impossible.

In stressing American desire for peace, the President must at some time become more specific in demonstrating that this country is willing to go to a conference table no less than to the battlefield, if there is some indication of a desire for accommodation in Peiping or Hanoi. It is in elaborating just this possibility that the President can draw on the lessons of the Cuban missile crisis. For our Communist adversaries, no less than ourselves, must be given a third option between the choices of all-out conflict or wholesale surrender.

FOR HEARTS AND MINDS

Southeast Asia has become the proving ground of American staying power and wisdom. To achieve its objectives there, the United States will require patience, dogged determination, and wise and realistic planning, based upon knowledge of the area and its people, and devoid of wishful thinking.

To one who has lived recently in southeast Asia much of the discussion about a possible neutralist solution of the problem there, derived from a political settlement, contains a good deal of wishful thinking. The hope for such a solution seems to rest partly upon a belief in the intimidating effect of our 7th Fleet, and partly upon an assumption that the schism in the Communist world would make the solution acceptable to both the Soviet Union and Communist China.

The 7th Fleet undoubtedly is a deterrent to Communist aggression. However, it is far from certain that the influence of American power in the Far East is likely to pave the way for a political settlement in which the Communist Chinese will join so long as the Chinese are continuing to make gains. Why should they negotiate when, in both Vietnam and Laos, they are able to keep us in a position which is awkward, difficult, and dangerous, to say the least?

While the outcome of the struggle between the rival Communist camps may well strongly influence developments in southeast Asia there is little support for the belief, or hope, that Communist Chinese expansionism there will be reduced—or postponed—by the ideological conflict between the Chinese and the Soviets.

A more logical expectation is that possession of some of the southeast Asian countries may be even more attractive to the Chinese Communists as a means of strengthening their position vis-a-vis the Soviets. Moreover, to expect that a neutralist arrangement covering those small and relatively weak nations would effectively protect them against Communist China is like expecting the lambs to lie securely with the wolf after the shepherd has left.

Unfortunately, the discussion of military alternatives available to us in Vietnam seems to have obscured the importance of the essential objective there. In 1962, a leading Asian nationalist leader, strongly and ardently anti-Communist, told President Diem that, regardless of the amount of American aid which he might receive, the Communists would win in Vietnam unless the effort to win the sympathy of the Vietnamese people for the anti-Communist cause succeeded.

He pointed out that the slogan of "winning the minds and hearts of the people" had become the watchword of the 12-year-long struggle against Communist guerrillas in Malaya and that a longer time would have been needed to defeat the guerrillas if that objective had not been given top priority by Malaya's defenders. Before we face the dangerous alternatives of military escalation or presenting the Communists with the great population and wealth of southeast Asia—or rather to avoid facing those alternatives, we should make certain that every possible effort has been made to turn the sympathies of the Vietnamese people against the Communists. That can only be done by the Vietnamese people themselves, but the training of local people to do the job, and the financing of it, will require outside assistance.

The effort should be massive. It might require 2 years to build the kind of Vietnamese peace corps that will be needed and more years to produce the fruits of the corps' efforts, but the cost in time, effort, and money would be negligible compared to the cost and risk of military escalation.

It would, of course, be necessary to hold the military position and provide military protection of the country while the massive

effort to win hearts and minds was being made. Once the tide against the Communists began to turn in Malaya the military pressure was steadily increased, but it was always regarded by such wise men as Gen. Sir Gerald Templar, who directed the entire antiguerrilla campaign at its peak, as only one part of the job.

A similar view has not always been held by the military minds directing the struggle against the Communists in Vietnam and the consequences are unpleasantly evident today. However, it is not too late to profit from the experience of others. We should never forget that it is not only victory in Vietnam which is important, but the manner in which victory is won. The basic struggle is for hearts and minds, not just territory.

C. F. BALDWIN.

[From the Christian Science Monitor]

THE SILVER FLASH

Airplanes are not the solution to the U.S. dilemma in Asia. They can help. Under certain circumstances they might tip the balance. But they cannot occupy a country. They cannot even locate guerrillas. They are not a primary method of warfare in Asia.

These facts need to be firmly stated and understood. There is a grave danger that factions in Washington led by the Air Force, and factions in the country led by those who think an easy show of force would stop Communist China, will create a delusion: that the Communists can be stopped in a nice, safe, sanitary, inexpensive, gallant fashion by sending aviators to do the job. A whiff of bombs, a flurry of air-to-ground rockets and the enemy would cave in.

There is no rational basis for this belief. It is the same zealous, uncritical fascination with the airplane that predicted victories by air in World War II and the Korean war, neither of which eventuated. In the Korean war in particular, airpower fell drastically short of predictions. It is customary to blame this on lack of permission to bomb beyond the Yalu. But in tests like Operation Strangle where the United States had full and uncontested command of the air, it was unable to stop the mounting by the Chinese of a major and very damaging ground operation.

As for full strategic bombing of mainland China that is another story. It would have to be judged with another standard of effectiveness than tactical air strikes, and in the light of the possibility that it would launch World War III.

The occasion for these statements is a dispatch from a correspondent of this newspaper in southeast Asia. He reports that the Communists "apparently are convinced that the techniques they have evolved over 40 years—what they call 'people's revolutionary war'—cannot be defeated no matter how sophisticated and advanced a system of weapons and military technology is brought to bear on the struggle."

This is the challenge. It was compared by Henry Cabot Lodge with having a battleship and needing to do a job in the desert. There should be no illusions about the fact that guerrilla war on the terms set by the Communists will take a heavy commitment of resources, ground and air, and that no bright flash of silver in the air can win a quick victory and return home.

CREATION OF PROPOSED MULTILATERAL NUCLEAR FORCE (MLF)

Mr. CHURCH. Mr. President, the creation of the proposed Multilateral Nuclear Force (MLF) is a major foreign policy step, one which could have lasting effect on our relations with our Western European allies, the Soviet bloc, and our conduct of arms control negotiations.

If an MLF treaty is to be presented to this body in the near future, there is great need to have an adequate discussion of the merits of the proposal before the time of requested ratification.

Up to now, there has been little discussion about the MLF, either in the Congress or in the press. Recently, Murrey Marder, the distinguished diplomatic correspondent of the Washington Post, wrote a worthwhile feature on the MLF which explored some of the problems connected with this proposal. I ask unanimous consent to have this article printed in the RECORD.

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

[From the Washington Post, July 19, 1964]

POLITICS CAN BUFFET NUCLEAR FLEET—TARGET DATE FOR MULTILATERAL FORCE PUTS MANEUVERING BETWEEN EUROPE AND UNITED STATES IN THICK OF CAMPAIGN

(By Murrey Marder)

Out of the Cow Palace last week came a theme that will reverberate in discord against some of the most sensitive strings of U.S. foreign policy, including its nuclear strategy.

That was the intention of Senator BARRY M. GOLDWATER: to present an alternative to "me-tooism" in both domestic and foreign affairs.

No matter how American voters react in November to the Republican choice for President and his determination to launch a bolder, more-risk-taking brand of foreign policy, Senator GOLDWATER'S nomination itself may have some effect on the current policies of America's allies.

Since World War II, American political nominations have little impact on the world's foreign policies. Even after the subsequent election, because of "me-tooism," or what others prefer to call "bipartisanship," friend and foe alike usually expect no drastic upsets if the White House changes hands. That assumption is now gone.

THE LONG VIEW

No matter how convinced they may be that President Johnson will win reelection, foreign offices around the world now are obliged to take a more serious look at Senator GOLDWATER'S candidacy. They may well conclude that his nomination alone will have no great impact on American policy but they undoubtedly will be reexamining their positions on ventures that would take years to develop.

A current major project fits that classification, although few Americans have more than the haziest notion of it. One simple reason is its official name, Multilateral Nuclear Force (MLF), which opponents deride as a multilateral nuclear "farce."

Despite the bureaucratically obscure title, the plan touches the nerve ends of West Germany's nuclear future; Britain's, Italy's, and other European nations' political and military evolution; the development of the North Atlantic Treaty Organization; the struggle between the United States and French President De Gaulle over the shape of Western Europe and its relationship to the United States, and the prospects for East-West arms control and disarmament.

TWENTY-FIVE NUCLEAR WARSHIPS

All this is imbedded in a debate that has been going on for 4 years in allied foreign offices over the creation of a fleet of 25 surface ships armed with 200 nuclear-tipped Polaris missiles, to be jointly financed, manned, controlled, and operated by those allied nations that can be induced to join. It would be assigned to NATO's defense.

Its cost would be about $2.5 billion to launch, about $160 million a year to operate, with the United States and West Germany as the main contributors.

It is a "first step" plan. On that one point, its supporters and critics agree. They disagree totally on what it is a first step toward.

Its advocates now have the positive support of President Johnson, Secretary of State Dean Rusk, and all the machinery of the U.S. Government, plus the backing of many of the leaders of Western Europe. They see it as a force for Atlantic unity and as a way of checking the spread of nuclear weapons by assuaging any German military appetite for a greater voice in the use of nuclear power. They believe that it will accomplish other long-range gains without risk to other nations.

Its critics, here and abroad, are not organized and are relatively weak, but they are counting on British and Italian hesitation over the plan and they hope affirmatively to build a backfire on Capitol Hill that will cause President Johnson at least to delay it.

To these opponents, who include foreign policy, scientific and military specialists and political leaders on both sides of the Atlantic, including Johnson administration officials who are now in a distinct minority, the mixed-manned nuclear fleet could do exactly the opposite of what its supporters claim.

They say that it is more likely to intensify than diminish German and other nuclear ambitions, to hasten the fragmentation of the Atlantic Alliance, to damage arms control and disarmament prospects, to impede the growth of national independence inside the Soviet bloc and to cause other harm.

What makes this backstage Allied debate of special consequence now is the time factor.

Orginally a mere suggestion by Presidents Eisenhower and Kennedy, the plan got more active Kennedy backing after the 1962 Anglo-American conference at Nassau and De Gaulle's subsequent rejection of British entry into the Common Market.

As one American critic puts it, the MLF "made the long leap from the technical to the policy level" when, "to counter De Gaulle, the United States felt obliged to assert its leadership, especially in the ultrasensitive politicomilitary area where De Gaulle himself might move."

Last month, the communique issued after President Johnson's meeting with West German Chancellor Ludwig Erhard set an official target date: to try to get the MLF pact ready for signature "by the end of the year" so it might be presented to Congress in 1965 as a treaty or in other legislative form.

LESS THAN A SOLUTION

Since October 1963, a working group representing the United States, West Germany, Britain, Italy, Holland, Greece and Turkey has been examining the plan in Paris. Additional political talks have gone on in Washington and other capitals.

None of these nations is officially committed to it but support for it is growing steadily, not as a cure-all but, as one critic-turned-supporter described it, "as the least damaging way of mitigating the absence of a solution."

Some would join, notably West Germany, because of deep belief in it. Others, like Britain, might join only to avoid missing the boat. They would want to prevent Germany from being its dominant European partner. Still others are interested for a combination of these reasons.

This creates what amounts to an international squeeze play on joining. If Britain does not join, or if Italy does not, the plan will go ahead anyway, American planners

maintain. They also would like to raise the ante in this diplomatic poker game by suggesting that the United States might go ahead without both Britain and Italy. But that is not official policy.

The critical maneuvering period between now and the end of the year will parallel the presidential election campaign, and this coincidence is important because the ultimate shape of the mixed-manned fleet depends on long-range American foreign policy.

THE QUESTION OF A VETO

Initially, at least, the United States would have a veto over the use of the fleet's nuclear weapons, because they could be fired only by unanimous agreement. But Mr. Johnson said as Vice President that "evolution of this fleet toward European control, as Europe marches toward unity, is by no means excluded."

Administration officials have assured congressional leaders, however, that ultimate surrender of the American veto has never been even implied. There are other ways of widening European control without touching the veto, they have noted.

Now with Senator GOLDWATER a nominee, political charges that he is irresponsible and "shoots from the hip" tend to underline among Europeans De Gaulle's charges that American foreign policy is unpredictable. This reaction is bothering administration officials.

Senator GOLDWATER has made some criticism of the MLF concept of a nuclear force with mixed crews, but he has not yet been briefed on it by MLF proponents. He advocates a direct NATO nuclear force under NATO's Supreme Commander in Europe, who is an American. Nevertheless, his variable comments about giving NATO greater authority to fire tactical nuclear weapons, and his remark that Germany might have won both World Wars with stronger military leadership, frighten Europeans, even some who want more authority over nuclear weapons.

It is not odd that Senator GOLDWATER's position on the MLF is not well known. One Congressman who has followed it closely estimates that not more than a dozen Members in both Houses have more than a superficial knowledge of the plan, although administration officials say that congressional leaders and members of key committees have been briefed on it, along with a number of other Senators and Representatives.

Critics charge that a small, determined "cabal of fanatics" pushed the plan through the Government. It is a fact that the MLF enthusiasts were spanked by the White House for overselling the plan last spring. But in April, President Johnson gave the MLF the go-ahead. He overrode the Arms Control and Disarmament Agency's concern about its effect on arms control negotiations with the Soviet Union. On balance, the President ruled, those misgivings were outweighed by political and military arguments for trying to create the force.

Instead of being slipped through the Government by the State Department, its proponents insist, the plan received unusual study by three administrations. Its original formulators or advocates included three former or present members of what is now the State Department Policy Planning Council: Robert R. Bowie, now Director for the Center for International Affairs at Harvard University; Gerard C. Smith, now in charge of MLF negotiations; and Walt W. Rostow, present head of the policy staff.

In addition, prime movers included Henry D. Owens, deputy to Rostow; Livingston T. Merchant, former special negotiator for MLF; Foy D. Kohler, now Ambassador to Moscow; J. Robert Schaetzel, Deputy Assistant Secretary of State for European Affairs; and Under Secretary of State George W. Ball.

At the Defense Department, the principal early advocate was the late Adm. Claude V. Ricketts. His name soon will be given to the U.S.S. *Biddle*, the Navy's nonnuclear guided-missile destroyer. The ship is being used to demonstrate the feasibility of manning vessels with crews of several nations, overcoming the complexities of differing food, training, and other national characteristics.

The idea of a mixed-manned nuclear fleet developed because of a military problem, but its motivation was and is mainly political. The concept arose from a request by the then Supreme Allied Commander in Europe, Gen. Lauris E. Norstad, for medium-range nuclear missiles to counter Soviet nuclear missiles aimed at Europe.

Instead of agreeing to that request by extending the "two key" system under which tactical, or smaller battlefield, nuclear weapons are operated by NATO members, with the United States controlling the nuclear warheads, the MLF seaborne fleet was conceived.

The real American military preference was, and still is, on purely military grounds, to meet the Soviet medium-range missile challenge with the huge American strategic nuclear arsenal. However, to offset what American diplomats foresaw as inevitably rising protests against U.S. military domination of the alliance, the political palliative of MLF was offered.

With Italy interested in joining it, but preoccupied with internal political woes, the MLF's future can turn on the outcome of the British election in October. Britain's Labor Party, favored to win, is on record as opposed to continuing the British nuclear force or joining the MLF. It advocates combining Britain's nuclear strike capacity in a NATO force.

But American officials believe that Labor Party Leader Harold Wilson may change his position after exploring other choices. Britain's Conservative government has suggested expanding the MLF by adding to it land-based American Pershing missiles now in NATO and the proposed British TSR–2 and American TFX supersonic nuclear strike planes.

The United States has agreed to a joint study of the offer but there are strong suspicions here that London may be engaged in a delaying action.

One specialist in this political-military-psychological maze, Henry A. Kissinger, an MLF opponent, recently wrote: "The novelty of modern weapons systems gives the disputes a metaphysical, almost theological, cast."

The Washington-based Council for a Livable World, campaigning against the MLF, charged in a paper by John Silard that the MLF "goes too far" to "meet the present concern of our allies" while it is "inadequate" to meet their long-term aspirations.

On the powerful pro-MLF side, however, the influential Action Committee for the United States of Europe, headed by Jean Monnet, a leader in transatlantic unity, has lauded the MLF as a major contribution to the present "confused and difficult" situation in Europe.

Despite the metaphysical or theological nature of the arguments, if the proposal is sent to Capitol Hill by a reelected President Johnson, the odds will be with it. But first it must weather the political uncertainties on both sides of the Atlantic.

REVIEW OF SENATOR FULBRIGHT'S BOOK: "OLD MYTHS AND NEW REALITIES"

Mr. McGOVERN. Mr. President, the Sunday, August 2, 1964, book review section of the Washington Post carries an excellent review of Senator FULBRIGHT'S new book entitled "Old Myths and New Realities." The reviewer, Mr. Ronald Steel, contends that Senator FULBRIGHT'S recent foreign policy speeches, which comprise the bulk of the book, have "opened the gates of free discussion on all the tired old verities of the cold war."

I ask unanimous consent that the review be printed at this point in the CONGRESSIONAL RECORD.

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

OLD MYTHS AND NEW REALITIES

(By Ronald Steel)

("Old Myths and New Realities: And Other Commentaries," by Senator J. W. FULBRIGHT. Random House; 144 pages; $3.95; paperbound, $1.45.)

In four eloquent essays, drawn from speeches he has delivered in the Senate during the past year, Senator FULBRIGHT has opened the gates of free discussion on all the tired old verities of the cold war. He has made dissent not only respectable once again, but even imperative as Americans try to grapple with the new realities of a radically changed world.

In an impassioned plea for political realism FULBRIGHT has asked us to recognize that many of the things we have imagined to be "self-evident truths" are not truths at all, but simply attitudes which no longer explain the facts. The most dubious of the " 'self-evident truths' of the postwar era—that, just as the President resides in Washington and the Pope in Rome, the Devil resides immutably in Moscow"— is perhaps the hardest one to shake, for on it hinges all the assumptions that have governed our diplomacy and dominated our national life for nearly two decades. It is for our own sake that Senator FULBRIGHT urges us to drop the myth "that every Communist state is an unmitigated evil and a relentless enemy of the free world" and to accept the reality that "some Communist regimes pose a threat to the free world while others pose little or none."

By challenging some of the most tiresome platitudes with which we have been burdening our diplomacy and our personal vocabularies during these long years of the cold war, he has clearly triggered the foreign policy debate that was his intention. While the wheels of innovation grind slowly, official Washington can never be quite so complacent as it was before Senator FULBRIGHT rose in the Senate last March 25 to charge that as a nation "We are confronted with a complex and fluid world situation, and we are not adapting ourselves to it. We are clinging to old myths in the face of new realities, and we are seeking to escape the contradictions by narrowing the permissible bounds of public discussion, by relegating an increasing number of ideas and viewpoints to a growing category of 'unthinkable thoughts'."

Those words have already become part of the national political vocabulary, as the tortuous reappraisal of American foreign policy—stimulated in large part by the Senator's shock tactics—slowly seeps through the cloistered halls of the Department of State. That key speech, from which this volume draws its title, has been joined to three others—dealing with national security, the Gaullist challenge, and the cold war in American life—by an alert publisher who has saved them from the oblivion of the CONGRESSIONAL RECORD and who has had the good sense to bring out a companion paperback edition that puts them within the reach of everyone.

Among the "unthinkable thoughts" singled out by Senator FULBRIGHT are the "fact that the boycott policy is a failure as an instrument for bringing about the fall of the Castro regime," that "the historical odds are probably against the prospect of a

peaceful social revolution" in Latin America, that "there are not really 'two Chinas' but only one, mainland China, and that it is ruled by Communists and likely to remain so for the indefinite future," and that "the Soviet Union, though still a most formidable adversary, has ceased to be totally and implacably hostile to the West."

As if this were not enough for a timid Washington bureaucracy and a Congress still bravely slaying yesterday's dragons, he has even suggested that we question "the master myth of the cold war"—that the "Communistic bloc is a monolith composed of governments which are not really governments at all, but organized conspiracies"—and, perhaps most relevantly of all, that the American people must "come to terms, at last, with the realities of a world in which neither good nor evil is absolute."

Despite all this heady iconoclasm, J. WILLIAM FULBRIGHT is no phrase-throwing radical. Former Rhodes scholar, university president, veteran of 20 years in Congress, and now chairman of the Senate Foreign Relations Committee, he is a man of calm temper, exquisite manners, and eminent moderation. Yet he is a man who is deeply troubled by what he believes to be a failure of American practicality: a failure abroad to adapt to the world as it is rather than as we would like it to be; a failure here at home to deal with the urgent social problems that threaten American democracy far more than the irrelevant ideology of communism.

It is with evident reluctance and even a twinge of sadness that Senator FULBRIGHT holds the mirror of reflection to our portrait of national virtues, for he is a patriot whose sensibilities are clearly pained by our inability to live up to our ideals. "In a perverse way," he comments in a disturbing essay on the cold war in American life, "we have grown rather attached to the cold war. It occupies us with a seemingly clear and simple challenge from outside and diverts us from problems here at home which many Americans would rather not try to solve." If the image that emerges from this scrutiny of American life and diplomacy is not always a flattering one, it is all the more worthy of our attention, for these are the reflections of a man who has thought long and deeply about the problems facing this Nation, who is worried by much of what he has seen, and who has had the courage to say what he believes.

In deliberately setting out to tell us that we don't really know much of what we think we know, Senator FULBRIGHT steps on a great many sensitive toes. Not everyone will find it easy to accept his view that the near hysteria that has afflicted many Americans over Cuba comes more from wounded pride than anything else, or even his observation that if Cuba were to sink below the Caribbean tomorrow, and if Moscow were suddenly and miraculously to recall all of its agents in the Western Hemisphere, much of Latin America would still be agitated by unrest, radicalism, and revolution. But these are simple truths, and it is time someone of Senator FULBRIGHT's stature had the courage to state them plainly.

One cannot help but wish that the Senator had applied some of his admirable iconoclasm to the crisis in southeast Asia where he believes that we have no choice but to support the South Vietnamese Government and Army, however inept and deprived of its own people's allegiance—a counsel which does not seem to accord with the Senator's warning, in another context, against our tendency to place excessive faith in military solutions to political problems. One might also wish that in his enthusiasm for an Atlantic community built upon NATO, Senator FULBRIGHT might entertain the possibility that the Gaullist vision of a confederated Europe with its doors open to the satellites is not necessarily profoundly reactionary in the historical sense; or, indeed, that current French policy may be based on something more than an excess of pride and assertiveness.

But everyone has his own conception of the new realities, and Senator FULBRIGHT's purpose in demolishing some old myths was not to inspire total agreement but to unblock the clogged channels of our thinking and our diplomacy. In these elegantly phrased and bitingly heretical essays he has made his point brilliantly, and no thoughtful reader is likely to put down this slim volume of political dynamite without questioning a good many of the self-evident truths he has always taken for granted.

For that matter, no one who reads these essays can help but speculate on the political future of a man whose views on foreign affairs are scrutinized by the world press as though they were semiofficial pronouncements of the U.S. Government, and whose talents have long seemed to call for an outlet closer to the heart of foreign policymaking than the Senate. But such speculation immediately raises the question of whether Senator FULBRIGHT's civil rights record, reaffirmed only a few weeks ago by his negative vote on the civil rights bill, might not compromise his role as a potential architect of the Nation's diplomacy. While such things as stature in the world community are hard to measure, it seems unlikely that Senator FULBRIGHT's has been diminished by his stand on civil rights for the simple reason that most people understand perfectly well that his votes on this issue are dictated by the reality of Arkansas politics. So long as he represents the voters of that Southern State, Senator FULBRIGHT is likely to be torn by the conflicting demands of equity and political realism, a conflict which, judging from the final pages of this book, is as troubling to him as to his admirers. It would be a self-defeating logic, indeed, that would deprive the Nation of Senator FULBRIGHT's wisdom in forging an enlightened diplomacy because of a principle he could challenge only by committing political suicide.

In reexamining the stale slogans of the cold war, Senator FULBRIGHT reveals not only the mind of a great statesman, but something even more rare, the heart of a public philosopher who has the courage to question the massive diversion of energy and resources from the creative pursuits of civilized society to the conduct of a costly and interminable struggle for world power, who has the humanity to ask why it is that so much of the energy and intelligence that men could use to make life better for themselves is used instead to make life difficult and painful for other men, and who has the wisdom to remind us that we must dare to think about unthinkable things because when things become unthinkable, thinking stops and action becomes mindless.

THE THEODORE ROOSEVELT TRADITION AND CAMPAIGN OF 1964

Mr. McGOVERN. Mr. President, today's New York Times carries and interesting, incisive letter written by Prof. William Harbaugh, chairman of the department of history at Bucknell University, and one of the Nation's leading authorities on Theodore Roosevelt. In his letter, Professor Harbaugh comments on the analysis advanced by another writer, who has compared the views of Senator GOLDWATER with those of Theodore Roosevelt.

I was priviliged to attend graduate school with Professor Harbaugh, at Northwestern University, following World War II. I know him as a personal friend, and I admire him as one of the Nation's most respected younger historians.

Believing that his letter is an important contribution to the national debate of 1964, I ask unanimous consent that it be printed at this point in the CONGRESSIONAL RECORD.

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

[From the New York Times, Aug. 3, 1964]

GOLDWATER NOT SECOND T.R.—THEIR VIEWS ON DOMESTIC AND FOREIGN AFFAIRS CONTRASTED

(The writer is chairman of the Department of History, Bucknell University, and the author of "Power and Responsibility: The Life and Times of Theodore Roosevelt.")

To the EDITOR:

The effort of Hamilton Fish in his letter of July 23 to link Senator GOLDWATER with Theodore Roosevelt is a disservice to history.

Whatever Senator GOLDWATER stands for, there is no question of what Theodore Roosevelt stood for once he conquered the Sturm und Drang impulses of his youth: He stood for a foreign policy based on a shrewd and realistic assessment of our own and our potential adversaries' power; and he stood for a domestic policy grounded on the realization that the rise of a nationwide communications and industrial system made the expansion of Federal power envisioned by Alexander Hamilton and Chief Justice John Marshall as desirable as it was inevitable.

The great issue in foreign affairs during Roosevelt's Presidency was American relations with Japan. On this, if not always on the minor issues, Roosevelt worked quietly for an accommodation of interests.

ROOSEVELT AND JAPAN

He silenced west coast demagogs by negotiating a gentleman's agreement on immigration. He recognized Japanese "suzerainty over" Korea in return for Japan's disavowal of designs on the Philippines. And he recognized Japanese economic ascendancy in Manchuria in return for little more than Japan's good will.

After he left office he urged President Taft at least twice to abandon commercial ambitions in Manchuria and China—to give up, in effect, the Open Door—in exchange for Japanese concessions on immigration.

Roosevelt's domestic policies were even more incompatible with Goldwaterism. His first annual message sounded the deathknell on States rights, and an avalanche of later messages and actions virtually buried them. Roosevelt perceived that opponents of his plan to put all big business under Federal control were invoking States rights "because they do not venture to express their real wish, which is that there shall be no control at all."

He defended his calls for steeply graduated income (eventually 90 percent) and inheritance taxes with statements that "no amount of charity in spending [ill-won] fortunes * * * compensates for misconduct in making them," and that huge fortunes "rarely do good and * * * often do harm to those who inherit them."

And he flailed juries for failing to send reputable businessmen to jail "for doing what the business community has unhappily grown to recognize as well-nigh normal in business."

GOLDWATER'S STAND ON TVA

Senator GOLDWATER'S attitude toward the TVA contrasts still more sharply with T.R.'s basic views. Roosevelt believed passionately that the Nation's natural resources belonged to all the people, that the Federal Government should foster multipurpose river valley developments (he vetoed a bill in 1903 that would have opened Muscle Shoals to piecemeal private development), and that the utilities monopoly was "the most threatening which has ever appeared."

Nor can the Goldwater wing of the GOP take succor in T.R.'s postpresidential domestic policies. In 1912 Roosevelt stormed out of the Republican Party with the assertion that it had become "the cause of the political bosses and of special privilege in the business world."

And in 1918, after calling for farm subsidies, public housing and social security, he vainly warned the Republicans against allowing "the Romanoffs of our social and industrial world" to return to power.

WILLIAM H. HARBAUGH.

GUILFORD, CONN., *July 23, 1964.*

BANK FAILURES

Mr. ROBERTSON. Mr. President, in view of the fact that the Federal Deposit Insurance Corporation now carries insurance on approximately $180 billion of bank deposits, and has built up a fund of $2.7 billion with which to meet liabilities, I—as one of the early sponsors of that helpful legislation—have carefully watched the rapid expansion of bank credit during a rather inflationary period of some 20 years, with a view to ascertaining whether our insured banks are being safely operated and whether the premium they pay for the insurance of deposits up to $10,000 is enough to make the insurance fund actuarially sound. I am gratified to report to the Senate that, on the whole, insured banks of this Nation are well managed and are in a sound condition; and that when a failure occurs, it is the exception that proves the rule of good management.

The closing of the Frontier Bank, in Covelo, Calif., on Friday, July 31, marks the fifth bank failure this year, and the third in the past 30 days. I have reviewed every one of these failures with Chairman Joseph W. Barr, of the Federal Deposit Insurance Corporation, as they have occurred. In every instance, the failure has involved a relatively small bank that has experienced a recent shift of either control or management, and sometimes both. It is not yet clear whether these banks failed because of inexperienced management or whether they were "raided." I shall leave that for the courts to determine.

What I do want to make clear today is that, in my opinion, these failures do not reflect in the slightest on the basic strength and vitality of the commercial banking system of the United States.

Perhaps there is a problem connected with the sudden changes of control; and the House Banking and Currency Committee is preparing to consider proposed legislation giving the regulatory agencies information in this particular area. I have stated publicly that I will support this proposed legislation if the House passes it. There always will be stress and strain in any system as diverse and competitive as the commercial banking system in the United States today. But I want to make it clear that a few isolated failures in no way reflect on the integrity and stability of the system of commercial banks in this country.

TRIBUTE TO DR. HEINRICH VON BRENTANO

Mr. LONG of Missouri. Mr. President, recently one of Europe's greatest statesmen, known personally to many Members of both House of Congress, celebrated his 60th birthday. I have reference to the distinguished majority leader of the West German Parliament Dr. Heinrich von Brentano, former Foreign Minister of the Federal Republic. I am sure everyone would agree that Dr. von Brentano is one of our country's stanchest and most valuable friends. With former Chancellor Adenauer and the present Chancellor, Dr. Erhard, Dr. von Brentano established the firm foreign policy of his country, making it a trusted ally of the United States and a strong European supporter of NATO.

This fine world citizen has worked hard to bring back to his fatherland the old liberal spirit of the 1848 revolution in which his ancestors played an important role. When the revolution failed, one of the Brentanos—the great-uncle of Dr. Brentano, Lorenz Brentano—came to the United States with Carl Schurz who later became Senator from my home State, Missouri. Lorenz Brentano, as editor of the old Illinois Staats-Zeitung, was an ardent supporter of Abraham Lincoln, and his son Theodore became one of our country's most distinguished diplomats.

A birthday is nothing unusual. Each of us has one once a year. But the 60th birthday of Von Brentano has special meaning. Some of Germany's highest dignitaries took note of Dr. von Brentano's 60th birthday including Chancellor Erhard, former Chancellor Adenauer, Hessen's Prime Minister Zinn, Minister Dr. Krone, and Foreign Minister Dr. Schroeder who succeeded Dr. von Brentano. All were received in Dr. Brentano's garden at his home in Darmstadt where the lord mayor of the city was also present.

Last year Dr. von Brentano was stricken by illness so severe that his doctors despaired for his life. But after many months of being bedridden and several serious operations this courageous fighter staged a remarkable recovery. In fact he has recovered sufficiently to return in a few weeks to his seat in the West German Parliament.

His recovery is of real significance to people everywhere who are committed to the enhancement and strengthening of the democratic form of government.

We, who have never known a form of government but the one prescribed by our Constitution, might fail to realize the value to us of a man like Von Brentano, who, through his leadership, has given strength and vitality to the representative form of government which had to be built in Germany after the rubble and ashes of Hitler's Third Reich had been cleared away.

The role of master builder of a democratic form of government came easy to Von Brentano because of his family background. Undoubtedly the basic factors in the foreign policy he developed after the Third Reich lay in ashes can also be traced to a tradition which prevailed in his family for many generations.

Dr. von Brentano is the scion of an old distinguished liberal family in Germany, which included some of his country's foremost statesmen, poets, writers, and sculptors. His father was one of the architects of the Weimar Constitution which was patterned after our own Constitution and adopted 45 years ago in August 1919.

Dr. von Brentano has worked closely with Secretaries of State Acheson, Dulles, and Rusk in carrying out Germany's pro-American policy, begun by him and Adenauer and now carried forward by his successor in the German Foreign Office, Dr. Schroeder, and by Chancellor Erhard.

Many Members of both Houses of Congress and many distinguished citizens have sent congratulatory messages to the majority leader, expressing their pleasure over his recovery and coupling this with the expression of hope that his fine statesmanship will continue to benefit the free world and freedom-loving people everywhere. It seems proper, therefore, that we pay tribute to a man who symbolizes the heart and very essence of representative government.

Mr. President, I ask unanimous consent to insert at this point in the CONGRESSIONAL RECORD only a few articles which appeared in the German press on the occasion of Dr. von Brentano's birthday. They show in what high esteem he is held not only by the leaders of his own party but by the representatives of the opposition as well.

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

[From the German Tribune, July 4, 1964]

FORMED BY EUROPEAN TRADITION—60TH BIRTHDAY OF DR. HEINRICH VON BRENTANO

MUNICH, June 20.—Dr. Heinrich von Brentano, the chairman of the CDU–CSU Parliamentary Party, who has been recovering in past months from a very grave operation, on the occasion of his 60th birthday receives the good wishes and felicitations not only from his personal and political friends. All members of Parliament, no matter what their party allegiances are, take an interest in the life of the man whose style of work from the very beginning was one of very noble characteristics, combined with great tact and rich experience.

Like Dr Adenauer and Prof. Carlo Schmid, Dr. von Brentano belongs to that group of Bonn politicians of the very "first hours" of the Federal Republic: When the Grundgesetz, the Constitution, was formulated by the Parliamentary Council, Dr. von Brentano played a decisive role, which he continued as the leader of the Parliamentary CDU Party in the Bundestag, until, in 1953, Dr. Adenauer appointed him Foreign Minister. Eight years later, after he had resigned under the pressure of the SPD, he was once again appointed head of the Parliamentary Party. Today Dr. von Brentano's government activity seems to have faded a little, compared with his great parliamentary success. The Bundestag was his actual field of work, where he could freely develop his policy, while as a foreign minister he worked in the overawing shadow of Chancellor Dr. Adenauer.

Dr. von Brentano owes the great response to his parliamentary work less to his talent as a speaker, or as a spokesman of his Parliamentary Party in plenary sessions, but rather to his skillful activity behind the scenes, invisible to the public. It is here in the conference rooms of the Parliamentary Party, of the Aeltestenrat, (Rules Committee), of the committees, particularly in meetings of the executive of his Parliamentary Party, that apart from his technical

skills, he can fully develop his great capabilities which his political opponents so highly esteem: His politeness, his spirit of collegiality, and his proverbial fairness. Dr. von Brentano appears to be the very epithet of a man of fair compromises and of reasonable solutions. But whenever principles are involved he will put up a determined resistance without faltering.

On matters of foreign policy Dr. von Brentano belongs to the protagonists of the concept of Western and Atlantic solutions, of an alliance bound to the West, and of the great principle of European integration. His activity in the Strasbourg Council of Europe and his work for the realization of a European political union, and its constitution, are all part of that line of conviction. Dr. von Brentano's merits in Bonn foreign policy are above all due to his personal talents and character. They enabled him to win for the country he represented, particularly in the first difficult decade, great international confidence and sympathies. This cultivated gentleman of high erudition, who is able to listen to others, who meets all partners with courteous friendship, formed as he is by the great European tradition of an old and cosmopolitan family, is an excellent representative of Good Germany whose image the world had lost after 1933.

[From Die Welt, June 19, 1964]

A NOBLEMAN IS 60

(By G. Schroeder)

BONN, June 18.—They are celebrating their birthday the same day: Heinrich von Brentano, faction chairman of the Christian Democrats in the Bundestag, who has been absent from Bonn for the past half year because of a serious illness, and Rainer Barzel, who, for this very reason, is now taking Brentano's place as managing faction chairman of the CDU/CSU. Twenty years separate these two men. Although they have much in common, they belong to different generations in more than one respect.

Both were born on June 20. But Heinrich von Brentano was 29 years old when Hitler came to power. A Hessian who grew up in the home of a Zentrum (the Catholic political party) politician, and experienced the dying years of the Weimar Republic, he purposely kept away from the parties, which in his case was the Zentrum Party. He probably looked with great skepticism upon the state whose parties were tearing each other to pieces. Only in 1945, after the catastrophe, the Darmstadt lawyer plunged with both feet into politics, without ever forgetting in his actions the warnings of the past.

Rainer Barzel, born in East Prussia, and a Catholic like Heinrich von Brentano, was 9 years old when Hitler assumed power. He was 15 years old when the Second World War set Europe aflame. He thus belongs to a generation of politicians formed by the postwar period, and he has the managerial talent appropriate to maintaining and leading a large faction.

At the advice of his doctor, Heinrich von Brentano will celebrate his birthday this weekend only with a small circle of friends in his house in Darmstadt. Konrad Adenauer, Ludwig Erhard, Gerhard Schroeder, Franz Josef Strauss, Karl Carstens, Will Rasner will be with him—men with whom the CDU politician and former Secretary of State has worked closely. Only Barzel, whose election as deputy chairman of the faction Brentano strongly backed in 1963, will be absent at the request of Brentano, so that he can celebrate his birthday with his family in Godesberg.

Brentano as well as Barzel are called by loose tongues in the Bundeshaus "FDP-injured." The dramatic circumstances of Brentano's resignation as foreign secretary in 1961 are a well-known fact, when the Free Democrats, during the coalition talks, aimed their fire against him, after they were unsuccessful in eliminating Adenauer. One will also remember that last year Rainer Barzel declined the Ministry for Expellee Matters offered to him, when Erich Mende insisted on the Ministry for all German Affairs led then by the young CDU politician. Such renunciations during periods of time when some ministers seem to be glued to their chairs, has in both cases been highly rewarded by the faction. Heinrich von Brentano is hoping to be able to return fully recovered to Bonn this fall in order to take over again the leadership of the faction. It is a reflection upon the character and the nature of Brentano that in our opinion everyone in the Bundestag faction of the CDU is sharing this hope. There were times when voices of criticism were raised against Brentano within the faction. There were times where some of his party friends would have wished for Brentano to be stronger in his leadership and firmer in his views. But everything took second place behind the great esteem in which the man Brentano is held and for what he stands politically.

Brentano is a gentleman and a nobleman not only by birth, but by nature. It is inconceivable that he would participate in intrigues. It is also inconceivable that he would act rude toward the weaker. This man, in the broadest sense of the word, is cultured. He never made thinking easy for himself. He is the son of a family who came to Germany 200 years ago from Lake Como and who gave Germany so many outstanding intellectual leaders. Brentano's thoughts were not only always concerned with Germany, but with a united Europe for which he is still passionately striving today, as he has in the past.

Brentano has made many friends among European politicians. His reputation among them has remained unchanged, the reputation of a dependable, honorable European. In Bonn, however, it seemed sometimes, during the course of the years, that he had few contacts, that he lived too isolated. It has always been difficult for the bachelor Brentano to overcome his inner tensions, the result of a highly complex personality, in whom opposite characteristics are colliding. But it seemed that during the past year, before he had to face the surgeon in Munich, he was loosening up somewhat.

Three times after the operation Brentano was in acute danger. The doctors say that he has now overcome it. So we hope that he can soon again be what he said was his credo before he took leave from the foreign office: Not a minister in retirement, but a politician in action.

[From the Darmstaedter Echo, June 22, 1964]

PROMINENCE VISITS STEINBERGWEG—HEINRICH VON BRENTANO CELEBRATES HIS 60TH BIRTHDAY; ERHARD AND ADENAUER AMONG THE WELL-WISHERS

The numerous congratulations which former Federal Secretary of State Dr. Heinrich von Brentano received on Saturday in his villa at Steinbergweg in Darmstadt were an expression of the high esteem in which he is held. Political friends and opponents thus honored a man who, as the first Foreign Minister of the Federal Republic for 6 years contributed decisively to integrate the young state into the alliance of the free world, and who for many years headed the largest Bundestag faction, a position which he took over again after leaving the Cabinet.

Dr. von Brentano has just recovered from a long and serious illness. Birthday congratulations which he received Saturday were combined with the wish that he may soon return to his place in Bonn. It is a sunny Saturday forenoon. Around 10 o'clock the first well-wishers from Darmstadt arrive at Steinbergweg. Photo amateurs with their equipment realize the chance to take pictures of prominent politicians on this day. Policemen are keeping the route open to Brentano's villa. Newsreel and television reporters with their lights are getting in position and give a final check to their cameras and light meters. Coming from Nieder-Ramstaedter Strasse the first black limousines are turning into Steinbergweg.

State Secretary Dr. Hans Steinmetz of the Federal Ministry for Posts and Telecommunications, who hails from Dieburg, is coming to congratulate his friend Heinrich von Brentano. The next to arrive is Government Director Dr. Franken of the Federal Central Office for Political Education in Bonn. Dr. Neuschaeffer congratulates on behalf of the colleagues from Bretano's law office. In front of the house Will Rassner, executive director of the CDU faction in the Bundeshaus, is meeting Otto Klas from Darmstadt, who chauffered First Lieutenant Rassner for 1½ years through Russia during the war. From Lindenfels comes Wolfgang Schwabe, bringing the wishes from the chairman and the faction of the SPD. Now the audience which in the meantime has grown to about 200 begins to stir.

A large black limousine turns into Steinbergweg stopping soon afterward in front of Brentano's house. Former Federal Chancellor Dr. Konrad Adenauer is alighting and receives a cordial welcome by the crowd. Adenauer raises a hand, waves his greetings and has already reached the door—agile and vigorous as ever. Knut Baron von Kuehlmann-Stumm congratulates for the chairman and the Bundestag faction of the FDP. There is no end to the crowd of well-wishers. Chauffeurs are hurriedly driving away cars in order to make room in front of the house for the next guest. Federal Secretary of State Gerhard Schroeder and Dr. Georg August Zinn, Minister President of Hesse, receive the same friendly welcome.

Soon after Federal Chancellor Prof. Ludwig Erhard is driving up. He has already extended birthday wishes to a party friend earlier the same morning. He comes from Bad Godesberg where Rainer Barzel, Heinrich von Brentano's deputy as head of the CDU faction, is celebrating at the same time his fortieth birthday and his moving into his new home. The Darmstaedters greet Chancellor Erhard with long and cordial applause.

Meanwhile the salon of the villa has become quite crowded. The guests are moving out to the terrace and pose for the photographers. Dr. Heinrich von Brentano is conversing with his friends.

He has made a good recovery although he has not yet completely regained his strength weakened by the long illness.

The number of guests continues to grow, Federal Minister Heinrich Krone, Josepf-Hermann Dufhues, managing chairman of the CDU, and State Secretary Karl-Guenther von Hase arrive one after another. Foreign Minister Schroeder inquires about his predecessor's well-being, and Brentano replies: "As you can see, I am beginning to live again."

When former Chancellor Adenauer leaves the house about 40 minutes later, Heinrich von Brentano—supported by a cane—accompanies him to the door. Again there is applause, this time mainly to express congratulations for Brentano. Adenauer presented a picture of Lake Como, ancestral seat of the Brentano family. The Bundestag faction gifted their chairman with a small fountain which was already in operation outside the terrace on Saturday. The Cabinet had selected a stone table and a bench both of which found a nice shady place in Brentano's well groomed garden. On behalf of the party Dufhues presented a crucifix, the Hessian CDU gave him two baroque angels which were presented by its chairman, Dr. Wilhelm Fay. Minister President Zinn brought a valuable vase and as a personal gift the reprint of an old Hessian history.

Chaplains Reuter and Mueller replayed a telegram from the Vatican which because of difficulties in transmittal had been telephoned to Decan Held. It reads: "The Holy Father is sending Minister Heinrich von Brentano on the occasion of today's celebration kindest wishes for health and future work, cordial greetings and blessings."

On the occasion of his 60th birthday Dr. Heinrich von Brentano also received cordial congratulatory letters from Federal President Heinrich Luebke and Bundestag President Eugen Gerstenmaier. Writes the Federal President: "We have missed you greatly during the months you were forced to stay away from political activities. The merits which you have acquired as the first Secretary of State of the Federal Republic of Germany in your work for European integration and making our state a member of the Western alliance has found recognition here and abroad." In the name of the Bundestag, President Gerstenmaier expressed the wish that Brentano would be able to return soon to the place of his meritorious political work.

Also the representatives of the Bundestag parties congratulated Brentano on his 60th birthday. Rainer Barzel, acting chairman of the CDU/CSU faction expressed the hope that Brentano would be able to resume his work as head of the faction in the fall. SPD Chairman Willy Brandt and his two deputies Erler and Wehner paid tribute to Brentano's achievements for the Federal Republic in a long and cordial telegram. In their press service the Free Democrats wrote that Brentano will go down in the history of a united Europe as one of its first and most successful champions.

Around noontime the city of Darmstadt extended congratulations to its prominent citizen. Lord Mayor Dr. Ludwig Engel presented a floor vase and a picture of Luisenplatz painted by Prof. Helmut Lotz. On behalf of the Council of European Communities he brought a folio dating from 1732. In reply to the question on whose behalf he was congratulating Mayor Dr. Ernst Holtzmann said that first of all he had come as a friend who already in 1930 was sharing a bench with Dr. von Brentano. Both young lawyers were taking their examination for their doctor of law degree the same day. In addition to his personal wishes Dr. Holtzmann conveyed those of the CDU county organization and the CDU faction of the city parliament, and together with Lord Mayor Dr. Ludwig Engel he came as a representative of the town council.

All guests had arrived in certain intervals so that Dr. von Brentano had an opportunity to greet and talk to each of them individually. After Foreign Minister Schroeder and others had already left Darmstadt again, Franz Josef Strauss, chairman of the CSU, arrived as the last guest. Heinrich von Brentano welcomed him "with particular pleasure" and enjoyed receiving the Palatinate wine, a gift from the CSU and faction. The untiring spectators, who were waiting for Chancellor Erhard's departure, also greeted Franz Josef Strauss with friendly applause.

Escorted again as on his arrival Chancellor Erhard finally left Darmstadt around 1:30 p.m. Because of a detour the route led again through Nieder-Ramstaedter Strasse to the Boellenfall gate and from there practically around the city through Landskronstrasse, via Donnersbergring and Rheinstrasse to the autobahn.

HOUSTON POST DETAILS TFX SUCCESS—PROGRESS EXCEEDS PRIOR EXPECTATIONS

Mr. YARBOROUGH. Mr. President, as a matter of importance to national security, I call attention to the fine progress being made on the TFX program—the F–111 fighter jets being built for the Air Force and Navy by General Dynamics, in Fort Worth, Tex. The progress being made is enough to cheer the hearts of the most earnest supporters of TFX. The judgment of Secretary of Defense McNamara has been vindicated.

In an article published in the Houston Post on July 26, 1964, and written by Wayne Thomis, there is a report on the infinitely detailed attention being given this plane, which will have a major role in our military future.

I ask unanimous consent that the article be printed in the RECORD.

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

[From the Houston Post, July 26, 1964]

TFX GOING TOGETHER IN A "WAY OUT" WAY—IN BIG PIECES

(By Wayne Thomis)

FORT WORTH.—The TFX or F–111 fighter jets, with wings that fold in flight or open wide for landing, not only will look and operate differently than do any predecessors but are being fabricated in ways never before applied with the same scope, complexity, or accuracy.

Some engineers say there has been a tenfold advance toward precision in certain drawings and blueprints. Electronics is being used in computers and reproducers to an extent never before attempted by the aircraft industry.

In the General Dynamics Fort Worth headquarters where the TFX is being "born," IBM devices are employed to evolve "a new approach in the problems of engineering design, lofting, tooling, and production fabrication," Bing Cosby, vice president and project chief, says.

This "way out" pioneering approach is in keeping with the epic scale of the effort and the political heat that has characterized the TFX program.

Heavy criticism of the new fighter developed in the Senate's Permanent Investigative Subcommittee more than 18 months ago. This followed the award to General Dynamics by Secretary of Defense Robert McNamara of the prime contract for the new fighter plane, over objections of Air Force generals and Navy admirals.

This was interpreted as a struggle between the military and the civilian Secretary, with General Dynamics in the middle. McNamara has emerged as a temporary winner, at least, and now considerable enthusiasm for the F–111 airplane is developing among the Air Force and Navy engineering, supervisory, and piloting teams closest to it.

The enormous cost of the program has also focused public attention on the craft. As many as 1,700 machines may be ordered for U.S. forces alone. This will probably be the largest fleet of a single basic type ever produced.

The cost will be from $5.5 billion to $6 billion for the American multiforces weapons system. Australia has ordered 175 planes for delivery beginning in 1967. Other allies are interested in the F–111 as an all-purpose, offensive-defensive machine that would simplify training, maintenance, and operation.

The more or less "all-electronic" approach was adopted, Cosby says, because of the numbers of planes required and the probability that, once accepted, they will have a long production life. With such volumes, he says, great care has been lavished upon studies of fabricating, tooling, production control, and accuracy.

"What developed was a complete reversal of old methods for building the airplane," Cosby says.

"In the past, even with World War II production volumes, a great many small parts of planes were produced in small subassemblies. These were brought together and fed into huge, final assembly lines to make the complete article.

"Our approach turns this around. We are not making the airplane in small parts. By careful design and the most advanced machining and chemical milling, we are making the F–111's out of big parts, each of which takes the place of many small parts, and each of which, because it is a homogeneous whole, is stronger, simpler, and actually easier and cheaper to manufacture.

"These larger parts become much larger subassemblies when they are put together to form wings, fuselage, tail surfaces, landing gear, fuel tanks, equipment bays, and cockpit. Such pieces will be almost complete before they enter final assembly.

"This permits our final assembly sections to be relatively small and the entire final assembly time process a short one, compared with those of the past.

"Extreme precision in all elements of manufacturing is the key to such an approach," Cosby says. This begins with electronic drafting of engineering drawings and later of detailed parts drawings. Punchcards and paper tapes keep a "numerical translation" of lines, contours, bolt holes, dimensions, and thicknesses. Such translations are far more accurate—to a 10th power, one engineer says—than manmade drawings, patterns, blueprints, and master layout drawings.

The same machine which produces the paper-tape reels also sends its directions, reduced to electronic impulses, to a computer-director which translates them into a magnetic tape "language" that will guide machine tools. These tools, which mill, drill, cut, form, taper, and shape the plate, rod, castings, and forgings fed into them are thus given electronic guidance of superhuman accuracy.

Cosby, inspecting the production line now being set up, said the F–111 will be largely an aluminum airplane. Tool steel will be used in the wing center section carrying two huge, 8-inch diameter pivots for the variable sweep wings. The pivots themselves will be steel, as will be parts of the undercarriages and some attachment fittings and bolts.

The rest of the plane, including exterior wing skins (actually plate since most of it is approximately seven-eighths of an inch thick), tail structure, fuselage, middle "glove" section, and in fact almost everything exposed to the airstream will be aluminum. Titanium will be used around the hot sections of the twin engines, mounted side by side within the 70-foot-long fuselage, well aft.

This point is of great significance. The F–111 will be in the 1,750-mile-an-hour class. This will be a dash speed, sustained only for very brief periods, but skin friction heat will rise toward 550 degrees on nose, wing leading edges, vertical tail surface leading edges, the pilot's cockpit windshield, and, of course, around the engine air intakes.

Aluminum alloys used in the past and for subsonic jets lose strength rapidly at temperatures well below this.

The TFX is being fabricated from the newest superaluminum alloys, especially resistant to heat.

Cockpit seating for the two-man crew of the F–111 will be side by side.

Usually military crews have been seated singly one behind the other. The F–111 will be wide enough for lateral seating,

which makes for better coordination between crew members. The cockpit area and some of the "glove" area will come away in case of emergency and be sustained by parachute. The cockpit will form a protective capsule in cases of water, arctic, or desert landings.

The Air Force F–111 will have a wingspan of about 72 feet, fully extended. The Navy version will be about 80 feet in span, the difference being accounted for by "bolt on" wingspan. Both planes have a span of about 30 feet with wings fully folded.

General Dynamics at Fort Worth has received the first two flight engines from Pratt & Whitney. These are turbofan units with afterburners and will produce only a little less than 30,000 pounds of thrust each for takeoff.

URBAN RENEWAL

Mr. HARTKE. Mr. President, my attention has been called to an article published in the Evansville Press, dated May 16, and written by that paper's respected editor, Mr. Gordon Hanna. Mr. Hanna's article, relating to the Federal urban renewal programs, is, I think, aptly entitled "Does Anyone Have a Better Answer?"

In connection with the Housing Act of 1964, many of us in this Chamber have asked the same question concerning the urban renewal program.

When all is said and done, I am sure that most of us in this body and, indeed, in the entire Congress will agree with Mr. Hanna's conclusion that until "someone comes up with a better idea for breathing new life and tax values into our downtown districts, we will have to use urban renewal."

Mr. President, I ask that the article to which I have referred be printed at this point in the RECORD, as part of my remarks.

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

[From the Evansville Press, May 16, 1964]

THE EDITOR'S NOTEBOOK: DOES ANYONE HAVE A BETTER ANSWER?

(By Gordon Hanna)

There are no easy answers to the problems arising in connection with the urban renewal project around Welborn Baptist Hospital.

Certainly the feelings of those interested in saving both Agoga Tabernacle and McFarland Baptist Church deserve careful consideration.

It is true that they already have been given a hearing. But if other individuals want to speak and offer additional information I think the Redevelopment Commission should listen.

Sentiment is involved here. Both of these buildings are getting old. Members of the Bible class and the Baptist Church very likely could find other facilities that would suit their purposes just as well.

But for hundreds of people these two buildings represent something that other structures simply cannot replace. Within them over the years friendships were built and dreams were dreamed. And the memories linger.

Where such feelings exist, practical, everyday reasoning often has little appeal. Yet there is a definite community need to improve the area. In such a situation I believe the answer may lie in giving everyone a chance to speak his piece, with a total absence of haste or impatience.

In this way the best interest of the community as a whole is likely to be served.

When individuals are motivated by sentiment and are speaking from the heart, what they often want most of all is a chance to be heard. Even though they may realize that change is inevitable and that their cause ultimately will be lost.

This whole broad area of urban renewal raises a serious question concerning property rights. Again there is no easy answer.

Should the government—local and Federal working together—have the right to take a man's (or an organization's) property against his will, clear the land and sell it to someone else for private development?

Many people rebel at such a proposition. Yet that is what we do in our urban renewal projects. And the legality of it has been upheld by the courts. When an area is approved for redevelopment the Government determines in advance to what general usage the land can best be put. It may be for factories, for retail business, a public park, or any number of other uses.

If someone owns property within the area that is in good shape and conforms to the approved usage, he may be left alone. Otherwise the Commission acquires the property, preferably by agreement, but by condemnation if necessary.

In most cases a fair price is paid and there is little trouble. But the remaining few do cause arguments. They also promote criticism that the Government is encroaching more and more on our individual rights.

This criticism might be more effective were it not for the fact that most American cities, including Evansville, are facing a critical problem to which urban renewal so far has proved the only practical answer.

Many city buildings have outlived their usefulness. They are old and ugly and inefficient, so the income to their owners has dropped. Hence many are in bad shape and are turning into slums. As the values of the properties drop, so do the taxes that the owners pay to the city government.

This is particularly true in areas near the city's core. Many cities have dismal slums only a few blocks from their main streets. And downtown—once the big source of revenue for local government—is gradually drying up as a tax source.

This situation has put cities all over the country in deep financial trouble. And for a long time it was getting worse instead of better.

That's how urban renewal came into the picture. With the help of the Federal Government, cities began to set aside some of their worst areas for redevelopment. The land was acquired, cleared and sold to private bidders, who in turn developed it and began paying taxes on their new properties.

Mistakes have been made in some cities, but in others the program has been remarkably successful.

Evansville's finest experience was in the High Street area. After a slow start, this became a real success story. What was once a slummy red light district now is blossoming into an up-to-date commercial development.

Next on the program is the Welborn area. After that the commission hopes to renew the downtown riverfront section between Riverside and Second Street.

The Welborn area, which includes Agoga and the Baptist Church, has interesting possibilities for benefiting the community as a whole. Welborn Baptist Hospital has plans for building a multimillion-dollar medical center. Success of the project—which would include a number of tax-paying facilities—depends on clearing the necessary land in the immediate area.

Most of the land contains buildings the city will be better off without. As in other cases, there are a few that may still be serviceable but will have to go because it is impractical to take the others and leave them. To some people's sorrow, this probably includes Agoga and the church.

The argument that Agoga shouldn't be torn down to make way for a parking lot is not a sound one. Current city building requirements call for a minimum amount of offstreet parking for any new building. So without the parking space there can be no development.

All this seems to be among the sometimes sad facts of our modern life. Until someone comes up with a better idea for breathing new life and tax values into our downtown districts, we will have to use urban renewal.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Without objection, the Chair lays before the Senate the unfinished business.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MORSE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Oregon yield, provided that in doing so he will not lose his right to the floor?

Mr. MORSE. With that understanding, I yield to the Senator from Montana.

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

The ACTING PRESIDENT pro tempore. The clerk will call the role.

The Chief Clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE CALENDAR

Mr. MANSFIELD. Mr. President, under the same conditions as previously, I would like the senior Senator from Oregon [Mr. MORSE] to yield to me without losing his right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1226, S. 2419, and that the bills following be considered in sequence.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately following the consideration of each measure, a brief explanation be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will proceed to state the measures on the calendar.

CONDEMNATION OF CERTAIN PROPERTY IN ST. AUGUSTINE, FLA., WITHIN BOUNDARY OF CASTILLO DE SAN MARCOS NATIONAL MONUMENT

The bill (S. 2419) to authorize the Secretary of the Interior to condemn certain property in the city of St. Augustine, Fla., within the boundary of the Castillo de San Marcos National Monument and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions in section 1(b) of the Act entitled "An Act to add certain lands to Castillo de San Marcos National Monument in the State of Florida", approved July 5, 1960 (74 Stat. 317; 319), that certain lands may be acquired only by negotiation, the Secretary of the Interior is authorized to acquire the following described land, interests therein, and improvement thereon, for the purposes of said Act by condemnation with funds that are hereby authorized to be appropriated for that purpose:

All of lots 1 and 5 of block 6 less and except that portion acquired by the Florida Highway Department in 1959 in connection with relocated State Route A–1–A, as shown on the subdivision plat of the city of Saint Augustine prepared June 12, 1923, and filed in the official plat book in the circuit clerk's office of Saint Johns County, Florida, lying northeast of a survey line which is the southerly boundary of the proposed Castillo Drive shown on that certain map in three sheets prepared by E. W. Pacetti and Associates, April 23, 1960, and revised June 2, 1960 (map numbered NM–CSM–3012), and more particularly described as follows:

Beginning at a point on the survey line which is south 53 degrees 05 minutes west a distance of 24.0 feet from survey station 31+81.00 of Florida State Highways A–1–A and 5, section 7801–114 being station 0+00 of the proposed relocated highway; thence, south 36 degrees 55 minutes east a distance of 7.46 feet to a point; thence, on a curve to the right with a radius of 612.0 feet for a distance of 160.22 feet to a point which is station 1+67.68; thence, south 21 degrees 55 minutes east for a distance of 185.22 feet to a point which is station 3+52.90; thence, on a curve to the left with a radius of 465.0 feet for a distance of 328.69 feet to a point which is station 6+81.59; thence, south 62 degrees 25 minutes east for a distance of 251.13 feet to a point which is station 9+32.72; thence, on a curve to the right with a radius of 158.0 feet for a distance of 158.98 feet to the end of this survey line description and being station 10+91.70 of the proposed relocated highway, containing 3,850 square feet more or less.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1290) explaining the purposes of the bill.

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

The Committee on Interior and Insular Affairs to whom was referred the bill S. 2419, to authorize the Secretary of the Interior to condemn certain property in the city of St. Augustine, Fla., within the boundary of the Castillo de San Marcos National Monument, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The Department of the Interior recommends the enactment of the bill. The Bureau of the Budget has no objection.

This national monument lies within the city of St. Augustine, which in 1965 will celebrate its quadricentennial as the oldest colony in the United States. With a record high of 574,000 visitations expected at the monument next year due to the celebration, the National Park Service, the city, the State of Florida, and St. Johns County entered into an agreement in 1958 to relocate and improve existing State Highway A–1–A farther from the perimeter of the monument. This was necessary to enable the National Park Service to complete restoration of the fort grounds, but more particularly to remedy serious traffic difficulties.

During the 86th Congress the Park Service was authorized to acquire, through negotiation, 1.68 acres of land to accomplish this purpose. They have successfully negotiated the acquisition of all but one parcel of land 3,850 square feet in area. Because of their inability to reach agreement with the owner, authority is needed to condemn the remaining parcel needed to complete the project. The appraisal price secured by the Service totaled $23,290.

At the subcommittee hearings held on June 22, 1964, Senator HOLLAND, of Florida, the sponsor of the bill, impressed the committee with the necessity of action at this time to prevent serious accidents that could well occur if this land is not acquired without delay.

The full Committee on Interior and Insular Affairs unanimously endorses the enactment of S. 2419.

AMENDMENT TO JOINT RESOLUTION ESTABLISHING BATTLE OF NEW ORLEANS SESQUICENTENNIAL CELEBRATION COMMISSION

The bill (S. 1909) to amend the joint resolution establishing the Battle of New Orleans Sesquicentennial Celebration Commission to authorize an appropriation to enable the Commission to carry out its facilities under such joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the joint resolution entitled "Joint resolution to establish the Sesquicentennial Commission for the Celebration of the Battle of New Orleans, to authorize the Secretary of the Interior to acquire certain property within Chalmette National Historical Park, and for other purposes", approved October 9, 1962 (76 Stat. 755), is amended—

(1) in subsection (a) thereof by striking out the colon and the following: "*Provided, however,* That all expenditures of the Commission shall be made from donated funds only", and

(2) by adding the following new subsection at the end thereof:

"(d) There are hereby authorized to be appropriated such sums as may be necessary to enable the Commission to carry out its function under the foregoing provisions of this joint resolution, but in no event shall the sums hereby authorized to be appropriated exceed a total of $25,000."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1291) explaining the purposes of the bill.

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

PURPOSE OF BILL

The purpose of S. 1909 is to provide Federal funds, in a maximum amount of $25,000, to help defray the expenses of the Sesquicentennial Commission for the Celebration of the Battle of New Orleans. In order to accomplish this purpose, the public law establishing the Commission (Public Law 87–759; 76 Stat. 755) is amended by striking out the provision that all expenses of the Commission must be paid from donated funds only, and by adding an appropriation authorization of not more than $25,000.

S. 1909 is sponsored by the two Senators from Louisiana, Senator LONG and Senator ELLENDER, as was the parent legislation, Senate Joint Resolution 60, 87th Congress, which was enacted October 9, 1962.

Public hearings were held on the measure, and no opposition to it was heard from any source.

BACKGROUND OF LEGISLATION

The historic military action known as the Battle of New Orleans, extending from December 23, 1814, and reaching a climax on January 8, 1815, is of truly national significance. In it, Gen. Andrew Jackson led a few regular troops and "a hastily mobilized civilian force of bedraggled, untrained, and unorganized frontiersmen, Creoles, sailors, pirates, Indians, and freemen of color" to victory over the flower of the British Army. It was fought on the fields of Chalmette Plantation, the principal remains of which are now largely to be found within the authorized boundaries of Chalmette National Historical Park. Here, on that climactic day, 5,400 British and 4,000 American troops struggled for possession of the nearby city of New Orleans.

The victory at New Orleans had profound effects upon American history. It saved New Orleans from conquest and made the Mississippi an American river. Thus, the way was opened for westward expansion. Moreover, it increased the new nation's prestige in world affairs, gave Americans confidence in their military prowess and encouraged the growth of national feeling and unity in the United States, made a popular hero of Andrew Jackson, and did much to stamp the effects of frontier democracy upon the American social and poltitical order.

LEGISLATIVE HISTORY

Because of the truly national significance of the Battle of New Orleans, the 87th Congress approved the joint resolution sponsored by Senators LONG and ELLENDER establishing a Commission to commemorate the occasion. As introduced, the resolution called merely for the appropriation of "such sums as are necessary to carry out the purposes of this Act." This language was amended in committee to limit the appropriation authorization to $165,000 "to carry out the purposes of section 5 of this Act." Section 5 is the provision authorizing acquisition by the Secretary of the Interior of approximately 7 acres of privately owned lands within Chalmette National Historical Park, and the resolution passed the Senate with this provision.

In the House, Senate Joint Resolution 60 was further amended to delete all appropriation authorization and the proviso that all expenditures of the Commission must be made from donated funds only was added. It is this proviso that would be stricken by S. 1909.

NEED FOR BILL

At the hearings in September 1963, Senator LONG, Maj. Gen. Edward S. Bres (retired),

who was appointed by President Kennedy to be Chairman of the Commission, and officers of the Department of the Interior, among other witnesses, gave testimony as to the Commission's need for the minimal Federal funds authorized by this bill.

Senator LONG summarized the situation as follows:

"By denying to the Battle of New Orleans Commission any funds other than those donated to it from nongovernmental sources, the operation of the Commission has been seriously hampered. The Commission is unable to employ paid personnel, it cannot purchase office supplies, and, of course, it cannot contract for materials and services which will be necessary for the proper presentation of the sesquicentennial celebration.

"The Commission is attempting to secure donations from interested organizations and individuals, but until such donations are realized and in order to facilitate the securing of such donations, the Commission should be given some operating funds; for example, $25,000 as called for by S. 1909.

"The bill which I am requesting enactment of today does not set a precedent, for it was only a little over a month ago that the Senate passed S. 1828, a bill reported from the Judiciary Committee to amend the joint resolution establishing the Battle of Lake Erie Sesquicentennial Celebration Commission. The amendment in the Lake Erie case was the same as in S. 1909; that is, it authorized to be appropriated such sums as may be necessary to carry out the provisions of the original Lake Erie resolution not to exceed $25,000, and the bill deleted a provision of the original Lake Erie resolution which required that all expenditures of the Lake Erie Commission should be made from donated funds only.

"I would hope that this committee will do the same for the Battle of New Orleans Commission as the Judiciary Committee did for the Battle of Lake Erie Commission and that subsequently the Senate will do likewise."

The Interior Department spokesmen testified:

"Without the provision of normal planning and operating funds, the efforts of the Commission will be seriously hampered in preparing a celebration program commensurate with the national significance of the Battle of New Orleans."

"To achieve the authorized functions of the Commission, therefore, it appears to us that authority to expend appropriated funds is necessary. The work of the Commission will extend from the date of its organization on April 23, 1963, until the submission of its final report to the Congress, which the joint resolution of October 9, 1962, states shall be furnished within 1 year following the celebration. On the basis of our experience with other commemorative commissions of similar character, we believe that $20,000 would be a reasonable amount to cover the normal expenditures of this Commission, which would include costs incurred for personal services, including stenographic and staff assistance, travel incident to the planning and execution of the celebration, telephone and utility services, supplies and equipment, and printing and reproduction, including preparation and printing of the Commission's final report."

AGATE FOSSIL BEDS NATIONAL MONUMENT, NEBR.

The Senate proceeded to consider the bill (S. 1481) to provide for the establishment of the Agate Fossil Beds National Monument in the State of Nebraska which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, at the beginning of line 4, to strike out "funds, not more than 3,150 acres of land or interests in lands in township 28 north, range 55 west, Sioux County, Nebraska, for inclusion in the Agate Fossil Beds National Monument in accordance with the boundary designation made pursuant to section 2 hereof, and any rights-of-way and easements needed for connecting roads" and insert "funds, or otherwise, title or a lesser interest in not more than 3,150 acres of land in township 28 north, range 55 west, sixth principal meridian, Sioux County, Nebraska, for inclusion in the Agate Fossil Beds National Monument in accordance with the boundary designation made pursuant to section 2 hereof, which boundary may include such right-of-way as is needed for a road between the Stenomylus Quarry site, and the monument lands lying in section 3 or 10 of said township and range"; on page 3, after line 5, to strike out:

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

And, in lieu thereof, to insert:

SEC. 4. There is hereby authorized to be appropriated not more than $275,000 for the acquisition of land and interests in lands pursuant to this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit and enjoyment of present and future generations the outstanding paleontological sites known as the Agate Springs Fossil Quarries, and nearby related geological phenomena, to provide a center for continuing paleontological research and for the display and interpretation of the scientific specimens uncovered at such sites, and to facilitate the protection and exhibition of a valuable collection of Indian artifacts and relics that are representative of an important phase of Indian history, the Secretary of the Interior is authorized to acquire by donation, or by purchase with donated or appropriated funds, or otherwise, title or a lesser interest in not more than 3,150 acres of land in township 28 north, range 55 west, sixth principal meridian, Sioux County, Nebraska, for inclusion in the Agate Fossil Beds National Monument in accordance with the boundary designation made pursuant to section 2 hereof, which boundary may include such right-of-way as is needed for a road between the Stenomylus Quarry site, and the monument lands lying in section 3 or 10 of said township and range.

SEC. 2. Within the acreage limitation of section 1, the Secretary may designate and adjust the boundaries of Agate Fossil Beds National Monument. Establishment of the national monument and any adjustment of its boundaries shall be effectuated by publication of notice thereof in the Federal Register when the Secretary finds that lands constituting an initially administrable unit are in Federal ownership.

SEC. 3. The Agate Fossil Beds National Monument shall be administered by the Secretary of the Interior pursuant to the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented.

SEC. 4. There is hereby authorized to be appropriated not more than $275,000 for the acquisition of land and interests in lands pursuant to this Act.

The amendments were agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1292), explaining the purposes of the bill.

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

HISTORY AND DESCRIPTION

The major purpose of this bill is to preserve for the Nation the unique paleontological deposits located on the Agate Springs Ranch in western Nebraska which was owned by the late Dr. Harold J. Cook. These deposits have been described by the paleontologist, the late Henry Fairfield Osborn, as the most remarkable deposit of mammalian remains of the Tertiary age ever found anywhere in the world. Scientific research has been conducted in the area since 1871. Scientists from the Carnegie Institute, the American Museum of Natural History, the Chicago Natural History Museum, the Smithsonian Institution, the Colorado Museum of Natural History, Amherst College, the universities of Nebraska, Chicago, Kansas, Michigan, Princeton, and Yale, and many other scientific institutions have worked and studied at the site.

Establishment of this monument has been endorsed by the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments. The Department of the Interior has given a favorable report on the legislation.

The National Park Service in its study of the proposal expressed its conclusions in the following terms:

"The Agate fossil beds are nationally significant because of their numerous, concentrated, well-preserved Miocene mammal fossils, which represent an important chapter in the history of life, one that is not now adequately represented in the national park system. This site is significant too because of the important contributions made here by the early pioneers of scientific research in the West. The area also meets suitability and feasibility requirements for a national monument."

DEVELOPMENT POSSIBILITIES

Although this site has been worked, off and on, by scientists these many years, numerous representative remains could be found within the large untouched portions of the hills containing the quarries. It is estimated that at least 75 percent of the fossil-bearing portions of these hills are undisturbed.

In addition to its scientific importance, the acquisition of this site enables us to preserve a living link with the Old West of unique interest. It might be said that the story of Agate Springs had its beginnings in 1728 with the birth of James Cook, the famous English explorer, who circumnavigated the globe from 1768 to 1771, explored New Zealand, the east Australian coast, and much of the Pacific, and led the search for a Pacific-Atlantic passage through North America. James Cook was the great-great-grandfather of Dr. Harold J. Cook, who was until his death 2 years ago the owner of the Cook Ranch on which the fossil beds are located.

Dr. Cook's father, Capt. James H. Cook, was a noted Indian scout, friend, and confidant of the Sioux Indians, and author of the classic account of life in the early West, "Fifty Years on the Old Frontier." It was Capt. James Cook who discovered the fossil beds. Because of his close friendship with

several world-renowned paleontologists, he developed a keen personal interest in the preservation and exploration of the fossils in the most careful and systematic fashion, which has greatly contributed to their scientific value.

Because of his keen interest in Indian affairs, he had many friends among the Indians, including the noted Sioux chieftain, Red Cloud. On the basis of these friendships, he was able to collect many valuable and unusual Indian artifacts. One of them, for example, was a ceremonial jacket of Red Cloud's. This collection of artifacts, plus western wearing appearel and guns, plus the late Dr. Harold Cook's excellent paleontological library will be donated to the National Park Service by Mrs. Margaret C. Cook, Dr. Cook's widow, and one of the principal landowners involved, provided the establishment of the Agate Fossil Beds National Monument is assured by January 1, 1967, the year of Nebraska's centennial. Mrs. Cook also wishes to donate sufficient land for the monument headquarters, and quarrying rights at the principal quarries.

Dr. Harold Cook was himself a noted paleontologist, with an international reputation for his writings in this field, and while he lived, the Agate Springs Ranch served de facto as a headquarters for scientific expeditions and other students. As a result of his death in 1962, a danger exists that the carefully protected fossil beds will not be as conscientiously preserved in the future as in the past. For that reason, it seems urgent that a decision be made now to safeguard these irreplaceable fossil beds by placing them in the hands of the National Park Service.

From the standpoint of the tristate area near the site, the economic significance of this proposal is of great importance. Experience has shown again and again what a boon to business such a tourist attraction can be.

The most nearly comparable National Park Service facility is the Dinosaur National Monument, in Utah-Colorado, where bones deposited in the Age of Reptiles may be seen in the exposed strata. In 1957, the year before construction of that visitor center, the number of visitors to Dinosaur National Monument was 66,000. By 1959, it had increased to 112,000. Now it is over 200,000 annually.

The National Park Service has estimated that, by the time Agate is fully developed, in about 5 years, the number of visitors will be at least 120,000, and possibly 200,000 or more.

The National Park Service plans a development program estimated to cost $1,902,000 during the first 5 years, probably 90 percent which can be spent locally on labor and supplies and materials. When fully staffed and developed at the end of 5 years, the operating program for management and protection and maintenance of the area will require about $135,000 a year.

The committee unanimously approves the proposal.

Mr. HRUSKA. Mr. President, the action of the Senate in taking up and acting upon this bill, S. 1481, to establish the Agate Fossil Beds National Monument, is most gratifying.

The purpose of the bill is to preserve and provide for the orderly development by the National Park Service of the paleontological deposits located at Agate Springs in western Nebraska. The site has been described as the most remarkable deposit of mammalian remains of the Tertiary age that have ever been found. They are unique and irreplaceable, and therefore must be protected.

We of Nebraska are particularly proud of the manner in which these fossil remains have been protected and developed to date. By an extraordinarily fortunate accident of history the deposits were first discovered by one who had the imagination and understanding to see the tremendous importance of preserving them and investigating their scientific significance in an orderly way.

They were discovered in the 1870's by Capt. James H. Cook, Indian scout and frontiersman, and later author of "Fifty Years on the Old Frontier." Captain Cook recognized the potential importance of the deposits and brought them to the attention of geologists and paleontologists, and later acquired title of the property on which they were located. Under his ownership and that of his son, Dr. Harold Cook, a noted paleontologist himself, the deposits were carefully protected against destruction or misuse, but were made freely available to scientific expeditions interested in their systematic exploration.

Dr. Harold Cook died 2 years ago and a danger now exists that, unless timely action is taken to provide for their systematic care, these irreplaceable deposits may be destroyed or dissipated. Furthermore, it is intended by the Park Service to develop the quarries on the spot in a manner to permit students, tourists, and others to view the deposits in the condition in which they are found in the ground.

Aside from its scientific importance, this monument is of especial significance as part of a developing network of tourist facilities in a four-State area comprising Nebraska, South Dakota, Wyoming, and Colorado. The National Park Service has announced that its development program for the monument is to cost slightly less than $2 million. The Park Service has also projected that, by the time Agate is fully developed in about 5 years, the number of visitors annually will amount to between 120,000 and 200,000. It seems certain that this volume of tourist traffic will bring into the area well over $500,000 per year from outside.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar at this time.

Mr. President, with the same proviso, that the senior Senator from Oregon [Mr. MORSE] not lose his right to the floor, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE MEETING DURING SENATE SESSION

Upon request of Mr. MANSFIELD, and by unanimous consent, the Committee on Appropriations was authorized to meet during the sessions of the Senate for the week beginning August 3, 1964.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum under the conditions previously stated.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MORSE. Mr. President, as the CONGRESSIONAL RECORD will show, I announced on Saturday, following the speech of the able chairman of the Senate Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], that I would answer his speech today. First, I wish to make the following brief comment as to what my position will be on procedural questions during the course of the debate of foreign aid.

It is my hope, and it will be my intention, to cooperate in fulfilling that hope, that the Senate will dispose of the foreign aid bill by the end of this week—sooner, if possible. I have already notified the majority leader that I am delighted to cooperate in as many night sessions as he cares to hold for as long as he cares to hold them. This year, as last year, however, I shall insist that the foreign aid bill be debated under the rules of the Senate without any agreements to limit time or to fix a time certain to vote. I have also made clear to the majority leader that I hope that those of us in opposition to the bill will receive the cooperation of the majority in our requests for yea-and-nay votes on amendments that we think ought to be made a matter of rollcall record.

The time schedule of the Senate is well known. The record on foreign aid in the past several years, both pro and con, has been made over and over again in the Senate. By and large most Senators probably know now how they are going to vote on the major issues connected with the bill, irrespective of what is said during the course of the debate. But that does not in any way diminish the trust that each Senator owes to the country and to his own constituents to make the record. I am hopeful—and my cloakroom discussions with some of my colleagues seem to justify that hope—that in respect to some of the amendments that some of us will offer during this week on the bill, all minds have not been made up, and that there are still Senators who will study the record.

A good many Senators are absent today because of a very sad journey that the funeral group is making to California to pay respects to our beloved Clair Engle. I wish the RECORD to show that I would have taken that trip, but I

agreed to remain in Washington today to make the first speech in opposition to the foreign aid bill so that the final vote on the bill could be advanced by that much time. But bearing out what I have said—that minds are pretty well made up—one need only to look at the attendance in the Senate at the present moment to know whereof I speak.

Absentees will graciously say that they will carefully read the RECORD—and I hope they will. Nevertheless, it is some indication, I suppose, that a majority of Senators would welcome voting tomorrow without any debate at all. Yet those of us in opposition to the bill intend to make a record this week that the proponents of the bill will have to live with, and for which the proponents of the bill will have to answer to their own constituency, not only this year, but also in the years immediately ahead.

Mr. President, we have heard it said over and over again that major reforms in the foreign aid program ought to be adopted. Last year, the Foreign Relations Committee, in its report to the Senate, said it thought the reforms ought to be adopted the following year. That year has passed. The reforms have not been adopted.

In the debate last year it was argued over and over again, "Pass this bill and we will adopt reforms in the coming year." As of the moment I speak, the policy of foreign aid is about the same as was the policy of foreign aid a year ago.

Ten days ago a very high official of the State Department said to me:

> We have analyzed your minority views, and we find them very disturbing, because we recognize that so much of what you said is correct. We want you to know, Senator, that between now and next year the criticisms that you have brought out in those minority views—and there are many of them that are unanswerable, in our opinion—will be answered by changes in policy that will be adopted.

To that high official of the State Department I said:

> I have heard the same thing over and over again for the last 10 years, and you have not adopted reforms. What makes you think I should place confidence in your statement?

Mr. President, that is a sad statement to have to make, but the record is undeniable. Year after year the State Department, the Pentagon, and the AID officials have been brought up to a consideration of needed reforms only to urge upon the Congress that it pass the bill and let them work on reforms in the ensuing year. I mean not to be unkind, but I speak out of long experience with the executive branch of the Government. In my judgment, no reforms in foreign aid will be adopted, to any substantial degree, except when adopted by the Congress.

If Congress is looking for conversion among State Department, Pentagon, and foreign aid officials with respect to foreign aid and is expecting to have that conversion result in the necessary reforms essential to eliminating great abuses in foreign aid, the Members of Congress who so think are engaging, in my opinion, in wishful thinking. Neither the State Department, the Pentagon, nor the AID officials will carry out reforms on their own volition. Such reforms will be adopted only if Congress adopts them.

I shall make the record of the reasons for my opposition to the foreign aid program, because the people of this country are entitled to have that record made.

As I have said so many times, I would vote for more foreign aid than any administration in recent years has recommended. It is difficult for people to understand that one can oppose a specific foreign aid bill, as I have opposed the foreign aid bills of the past 10 years, including this year, and still be for foreign aid. But my own amendments have shown the kind of foreign aid I would support. I would vote for more than $3,500 million of foreign aid, if it were a foreign aid program that protected the American taxpayers. It would be a foreign aid program that strengthened the American image abroad. It would not be a foreign aid program which the Comptroller General of the United States, in report after report, has pointed out results in shocking inefficiency, the waste of hundreds of millions of dollars, and much corruption in many countries of the world, particularly the underdeveloped areas.

In a broad brash stroke or two, let me say that I am a loan advocate in foreign aid. I am a project-to-project man in foreign aid. I would lend more money for needed economic projects around the world than would this administration, or the previous administration, or the administration previous to that one, has been willing to recommend. But they would be loan programs, not grant programs.

They would not be deceptive loans, as are so many of the so-called loans today. The word "loan" should always be put in quotation marks when used by the AID officials downtown. So much of the loan program in this bill spells the word "deception," for they are not loans at all. The so-called loans are made at a cost of three-quarters of 1 percent, with a 10-year grace period, and then they are to be paid, not in American dollars, but in the soft currencies of the countries concerned. To use the word "loan" in that connection is a deception of the American taxpayer. This Senator will not be a party to that deception. The American people are entitled to receive from their Government protection of their money.

The "loan" program we have today is not only a grant program, but it is a give-away program, based upon deceit.

That abuse in the foreign aid program must be eliminated before the Senator from Oregon will vote for foreign aid. I will vote for a foreign aid program involving more money than this bill calls for, or that the predecessor bill called for, or that the various Eisenhower bills called for, but it must be a program of loans based upon sound economic development projects that will do something to better the economic standard of living of the people of the underdeveloped areas that live within the shadows of their economic environments. They must not be so-called loans to governments.

Read what the Comptroller General of the United States has said. He is our watchdog. He is an agent of the Congress of the United States. His spot-check survey of foreign aid in recent years has brought out the facts. Before the debate is over this year I shall again pile on my desk the reports of the Comptroller General, some of which are marked "Secret." I have yet to read a single report of the Comptroller General that really is "secret." Every report of the Comptroller General that I have read contains material that should be made available to the taxpayers of the United States. If the taxpayers of the United States could read the shocking reports of the Comptroller General of the United States, they would demand a housecleaning in foreign aid, and quickly.

Mr. President, I am against so-called "loans" to governments, for too much of that money lines the pockets of corrupt politicians abroad. We ought to put our money in dams, in refineries, in industrial plants, in roads, in irrigation-reclamation projects. We ought to put our money in economic projects which a study shows will do something about the deplorable condition of the standard of living of people living in those sad areas of the world. Until we do it, all the money we pour down the ratholes of those countries will not save them from communism, but make Communists.

The State Department, the AID officials, and the Pentagon do not like to hear it said, but it is true. A great deal of our foreign aid program has played into the hands of communism abroad, because the people in those areas of the world know that so little of it trickles down to the benefit of most of the people, and too much of it is absorbed by politicians who function as sponges, soaking up millions of dollars of American taxpayer money which have come to comprise the phony "loans" and grants, by the millions, of American taxpayer money.

I am also a line-of-credit man. I am not in favor of turning a great deal of money over to any group. To use a hypothetical instance, speaking as chairman of the Subcommittee on Latin American Affairs, I would vote much more money by way of development loans to Latin America, related to specific projects, than the bill calls for, or any administration has recommended, if the governments of Latin America showed they are ready to use it effectively.

However, I would insist that the money be loaned under a hard money policy, with an interest rate charged that will pay for the use of the money, which at the present time, according to the latest Treasury reports, would be in the neighborhood of 3 percent, not three-quarters of 1 percent. The money would be drawn upon as the dam went up segment by segment, or the refinery went up part by part, or the irrigation-reclamation projects proceeded segment by

segment. What is wrong with that? That is a pretty good way to build in the United States. What is wrong with building that way in other countries, when we are using taxpayer dollars?

Whenever any of us wish to build a reclamation project in our State, or build a great dam in our State, or put up any other public works, what do we have to show? We must show a benefit-to-cost ratio favorable to the project. We should. That is not a requirement in foreign aid.

We get a great deal of lipservice from the AID officials. However, Congress has not written that check into foreign aid. I believe that there should be a congressional check on the expenditure of taxpayer dollars on individual projects, one by one. We require that kind of check in the United States.

It will be said that that would be offensive to the country in which the money would be used. My answer is that it is our money. If a country does not want the money under such reasonable checks, it does not have to ask for it. Senators will note that I said "ask for it." The history of foreign aid is that we often ram a great deal of foreign aid down the gullets of many countries which do not ask for it. That has given rise to many abuses.

I shall offer my amendment again, as I did last year, to bring to an end completely all foreign aid at the end of fiscal 1966. Last year I offered it to apply at the end of 1965.

Let us start all over. That is the way to bring about a foreign aid program free from abuses. Let us start all over. Let us limit foreign aid to a maximum of 50 countries. We will have a hard time finding 50 countries in the world with which we can justify entering into foreign aid agreements. Let us limit it to 50 countries on their application. I say, on their application, Mr. President. Let us do that, instead of urging them to take the largess of the taxpayers of the United States, as is still being done to a great extent. Let them come forward and apply. Let them apply for projects which they think they can justify. Let them agree to meet conditions that sound administration of a foreign aid program dictates.

What is wrong with that?

I am still waiting to hear from the State Department, the AID officials, and the White House as to what is wrong with that philosophy.

Do they have good projects? If they do not have good projects that are self-liquidating—I am talking now about the loan projects—why should I vote to waste American taxpayer money on projects that are unsound? If they have projects that will pay out, and are unwilling to borrow money, they should not be allowed to get it.

Later in the week, I shall speak about another abuse. It refers to our pouring out millions of American taxpayer dollars at three-quarters of 1 percent interest, and a great deal of it in the form of out-and-out grants. Much of that money has been used by those governments to pay back some of our alleged allies, and some who are not allies even with the "alleged" as a prefix, with whom they have entered into loan arrangements at 5 percent and 6 percent interest. In that way the American taxpayer assumes the obligation.

No jury would approve of such a practice. I am making a plea in my speeches this week that the Members of the Senate at least carry out their duties as legislative jurors. If they carry out their duties as legislative jurors, they cannot underwrite the present loan program.

Many Americans like to stick their heads in the sand and engage in the psychologically comforting experience of wishfully thinking that it could not be that bad.

To the American people I address this question: "When are you going to get busy and make it perfectly clear to your Government that government by secrecy must end?" I say to the American people: "You will not remain free indefinitely if you permit administration after administration to deny you the facts, for you are entitled to know about the expenditure of your money under the label 'Secret.'"

I repeat what I have said so many times in my 20 years in the Senate; 85 percent of the material marked "Secret" that has come before the Committee on Foreign Relations and that came before the Committee on Armed Services when I was a member of that committee never should have been marked that way in the first place. It is marked "Secret" primarily to keep the American people uninformed. But in a democracy, there is no substitute for a full public disclosure of the public's business. One of the great reforms needed in the field of foreign aid is to lift the curtain of secrecy that veils it and to give the American people the facts.

I wish now to say a word about my position with regard to grants. It is a position I have taken for some time. I shall vote for grants. I shall not vote for grants in the amounts that the administrations, present and past, have sought and succeeded in getting. There are a good many nonloan programs that are as much needed abroad as are the loan programs. I shall vote for grant money for health programs, food programs, programs for the alleviation of starvation, programs for the meeting of disasters, and baby care programs. It has always been interesting to me to observe how the foreign aid advocates use those causes as a justification for carrying along other grants that cannot be justified to the tune of hundreds of millions of dollars.

Last year I stated in the debate that since 1946 the American people have contributed a little more than $100 billion in foreign aid. The latest figures I have received show that the amount is greater than $104 billion. That is a huge amount of money. I do not see how anyone can argue that on the basis of policies that continue to permeate the foreign aid bill, we will not weaken the economy of the country. The economy of the country is the greatest defense weapon we have.

The arguments I have made thus far in my speech are merely a recapitulation of the major arguments I made last year. I merely add the statement that there has been no change, in my judgment, in foreign aid policy that would not justify my making the same argument, point by point, that I made last year in opposition to foreign aid as it is now devised and administered. Therefore, I incorporate by reference the major arguments I made last year.

I turn now to my arguments and objections concerning the bill that is presented to the Senate this year.

PRESENTATION OF 1964 PROGRAM

This program is presented to Congress year after year under false pretenses. Economic development remains a secondary purpose, and not the primary purpose of foreign aid.

Every public presentation of foreign aid calls it an investment in the economic future of the struggling and impoverished nations. But that is not the purpose for which we spend most of the money. Until we do, foreign aid is not promoting the real interests of the American people.

The chairman of the Committee on Foreign Relations told the Senate on Saturday:

> All that is markedly new about this year's foreign aid bill is the amounts proposed to be authorized, which are greatly reduced below the levels of previous years.

What a sad commentary on the extensive recommendations by the majority of the committee last year for a revised and revamped foreign aid program. Senator FULBRIGHT is quite right. There is nothing new about the program this year except the amounts, but I am ashamed that the Foreign Relations Committee would accept such a situation after the report it published last year calling for extensive changes. The Committee on Foreign Relations voted for the bill. Where are those changes?

The fact that the committee year in and year out gives nothing but lip service to reform in foreign aid is exactly why there never is anything markedly new in what the administration sends up. AID administrators have learned that the committees having jurisdiction over the program are paper tigers, and that the committees are content to confine their misgivings to print, without doing anything about them.

I have long since come to the conclusion that only the Senate and the House of Representatives acting as a whole can make worthwhile changes in foreign aid. We have already made some.

Senator FULBRIGHT also bemoans what he regards as an undue examination of foreign aid by Congress relative to space and military programs. But our failures in those areas do not mean that we should fail, too, to give foreign aid the careful examination it needs. In all three areas, the responsible committees are too often the representatives of administration programs, rather than their critics and reformers.

If Congress ever is to give the study it should to international and foreign

policy appropriations, it is going to have to start with foreign aid. I remind the committee chairman that a good third of this program—right off the top—is for exclusively military purposes. When are we, in the committee and in the Senate, going to delve into the purposes and administration of the military aid program? When are we going to give it the kind of examination the chairman thinks should be given to the space program and to Defense Department appropriations?

He knows that year after year the Foreign Relations Committee accepts in almost dead silence whatever the Defense Department tells it about military aid. We shove the critical reports of the Comptroller General under the table when the Secretary and Assistant Secretaries of Defense testify because we do not want to embarrass them with challenges to their decisions, even when the challenges come from the Comptroller General, and not even from ourselves.

We have yet so much as to question the basis of foreign aid, which is that military solutions are possible for economic problems. The chairman has questioned that assumption in the abstract, but I say it is time we questioned it in its specific, and the place to start is with the foreign aid program. I continue to hope that someday he will join me in this endeavor.

A good deal more of the foreign aid program is for political purposes. Again, I do not believe that political solutions—and they are closely tied to military objectives—are any answer for economic problems.

The United States has little or no control over the military forces of the nations receiving our military aid, and it has little control over the political objectives to which other countries may put our aid. If we really believe that it is in economic development abroad that the interests of the United States really lie, then why are we so fearful, so timid, so reluctant to reexamine foreign aid and devote the bulk of it to economic development?

COMPARISONS WITH OTHERS

Much is made each year of the percentage of gross national product that other free and Communist nations spend on aid to less-developed countries, relative to the United States.

This was one of the favorite arguments of the chairman of the committee in the committee sessions. It should be analyzed, because it is a propaganda argument which is being used to pull the wool over the eyes of millions of American taxpayers.

I have come to the conclusion that the percentage of gross national product is used because it is the only way that the foreign aid programs of other nations can be made to appear even reasonably close to that of the United States.

The Foreign Relations Committee went into this matter in our hearings. AID Administrator Bell furnished for the printed hearing record a lengthy memorandum concerning the aid programs of other nations.

I particularly invite attention to the table on page 335 of the hearings. It shows the 1962 bilateral aid commitments of all developed countries of the free world, and the percentage of such bilateral aid of the gross national product of each. It indicates that only France, with 1.6 percent and Portugal, with 2.21 percent, extended a larger percentage of their gross national products in aid to less-developed countries than did the United States. Moreover, in the case of Portugal, this aid went to possessions in Africa which, according to Portuguese officials, are part of Portugal and by their sights should not be counted as foreign aid at all. In the case of France, a very large bulk of French aid still goes to former French colonies in Africa. As Mr. Bell stated, it takes the form of budget support to the new governments of these former colonies. In 1962, 86 percent of French bilateral aid was for these grants.

There is a "gimmick" even in this, because France is one of the worst offenders in the world in discriminating against the legitimate trade interests of the United States. The countries to which France is granting aid are still considered by her to be a part of its economic empire. Furthermore, she still exerts great influence upon them in regard to their trade practices.

I am not opposed to what France and these other countries are doing. But they are doing it to maintain the direct commercial and political ties with these countries or possessions that were built up over decades of colonialism.

It is a rather weak reed which the AID people in the State Department lean on to cite examples of Portuguese and French aid, in order to bring up the average for all countries extending development assistance.

Interestingly enough, France and Portugal have been recipients of substantial aid from the United States since 1946.

The same table on page 335 indicates that in 1962 the United States committed 0.84 percent of its gross national product to bilateral aid to less developed countries, Germany 0.50 percent, Great Britain 0.70 percent, Japan 0.51 percent, Belgium 0.55 percent, and the others on down to 0.01 percent by Denmark.

The table for 1963 shows the commitments by these countries, but not as a percentage of gross national product for 1963. However, in several cases, the commitments are down from 1962. This is true of France, Great Britain, Portugal, and the Netherlands. The commitment by Norway is the same and that of Japan is up only to $268 million from $265 million the year before. Canada, Denmark, Belgium, Germany, and Italy increased their commitments. But all free world aid other than U.S. aid was up, in 1963, only $263 million above the commitment for 1962. And in 1962, their aid as a percentage of their gross national products totaled 0.60 percent, as compared to 0.84 percent for the United States.

When we take into account the even more tremendous difference between the American effort for national defense and the defense effort of these same countries—and the U.S. effort was exactly double that of our industrially developed allies—it is evident that they will let Uncle Sam carry the international burden as long as we continue appropriating the money.

On that point, let me stress that our AID program does not begin to cover our foreign assistance program, because the AID program does not begin to cover the expenditures of our own forces abroad. Consider military aid. The military aid program that we make available—I do not care what part of the world is touched—does not include the expenses of maintaining our own military forces in that area, under whose canopy of defense all those areas live and have their security.

Later in my speech, I shall have something to say about my criticisms of military aid, but I wish to drive this point home now.

The expenditure for aid to South Vietnam now is somewhere between $1½ million and $2 million a day. It will go up and up in skyrocketing fashion if we continue our aggressive policies in southeast Asia, and continue to provoke attacks upon us in southeast Asia on a unilateral military basis.

But even as of now, our military aid program does not take into account the millions of dollars which are being spent on our own military operations in the area. When all is said and done, it is those operations which provide security and protection to the nations of southeast Asia. They all live under the canopy of American military might. It is our air armada, our 7th Fleet, and our thousands of boys who are distributed in that area of the world, that provide them with their defenses.

If we got into a war with Russia tomorrow, in many instances their own military programs would be of no value to us whatsoever. They would become liabilities. We should not be using them, because we all know the kind of war that would be. That is one of the reasons—as I shall show later in this speech—why I shall be offering amendments on this question, in the course of the debate, to cut drastically American military aid because, by and large, it is a shocking waste of American taxpayers' dollars. That military aid does not strengthen one iota the defense of this Republic. The security of this Republic is dependent, after all, on the nuclear might of the United States, upon our air and naval armada.

Another table prepared by Mr. Bell shows the actual disbursements for bilateral and multilateral aid in 1962. Since the table did not show this total as a percentage of each country's gross national product, I asked the aid agency to calculate that percentage for me, and have added it to the table III which appears below.

It is this figure which shows the proportion of their gross national product that developed free world countries spent on aid to less-developed countries in 1962, in both bilateral and multilateral aid

programs. For France, the percentage was 1.39, for Germany 0.50, for Great Britain 0.53, for Japan 0.32, for Belgium 0.76, for Portugal 1.36. For the United States the percentage was 0.65 and for all other development assistance countries it averaged 0.58.

Aid commitments to the less-developed countries from development assistance countries other than the United States have risen only $300 million from 1961 to 1963. Their grants as a percent of their total dropped from 55 to 48 percent, while ours dropped only from 66 to 60 percent.

If there are those who can find comfort in these figures, they are easily comforted.

Mr. President, I ask unanimous consent to have the AID memorandum printed at this point in the RECORD.

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

TOTAL FREE WORLD AID

A decade ago the United States was the only important source of aid to the developing countries. Today 17 free world countries other than the United States—many of them former recipients of U.S. economic aid—conduct substantial assistance programs. Eleven of them—Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, and the United Kingdom—are members of the DAC. They account for some 95 percent of the bilateral aid from all 17 countries. The other 5 percent comes from six nonmembers of the DAC: Australia, Austria, Kuwait, New Zealand, Sweden, and Switzerland.

International agencies such as the World Bank, the International Development Association, the European Development Fund, and the Inter-American Development Bank are also channeling large amounts of capital and technical assistance to the developing world. Ten years ago the World Bank was the only multilateral source of capital for this purpose.

There has been a significant growth in the programs of these aid donors. The total volume of free world aid commitments to the less-developed countries increased from $6.5 billion in 1960 to $8.4 billion in 1962 (the last year for which complete commitment figures are available). This represented an increase in commitments from all three major aid sources: the United States, other donor countries, and international organizations.

Commitments from sources other than the United States increased at the greatest rate. Whereas U.S. bilateral commitments went up 20 percent between 1960 and 1962 [1] commitments from multilateral agencies and other donors rose 64 percent and 34 percent, respectively. As a consequence, the U.S. share of the total aid bill declined. By 1960 some 40 percent—or $2.6 billion—of aid commitments came either from multilateral agencies or from free world bilateral sources other than the United States. By 1962 this had risen to 44 percent, or $3.7 billion.

It should be noted that some of the aid funds committed by the multilateral agencies are supplied by the United States. Those agencies finance their aid activities partly with Government funds and partly with funds derived from earnings, repayments, and private capital. In 1962, for example, the international agencies received a total of $665 million in Government grants and subscription payments from the DAC countries. The U.S. share of this was 42 percent and the other DAC countries provided 58 percent. Therefore, it is clearly in our interest to have these multilateral agencies increase their aid programs so long as every dollar from the United States is matched by a significantly larger contribution from others.

In addition to support from U.S. and other DAC government subscriptions, the multilateral agencies also receive contributions from non-DAC governments, and obtain a substantial share of their financing from repayments and from private capital markets. In 1962, for example, $307 million—more than half the World Bank's total financing that year—came from the sale of loans to the private sector.

One result of the growing volume of aid is that the United States is now bearing a smaller share of the aid burden. Another is that greatly increased resources are available to the developing countries, thereby quickening their prospects for growth and stability. Moreover, we are witnessing the emergence of more donor countries. Israel, the Republic of China on Taiwan, and Mexico now provide technical assistance to nations less developed than themselves. We hope this list will continue to grow as more countries approach economic self-reliance.

ARE OTHERS DOING ENOUGH?

The mere fact that other countries are contributing more aid each year does not answer the question of whether they are doing enough.

This is not an easy question to answer. There is no internationally agreed standard for evaluating aid performance, and there is even disagreement over what should be counted as aid. The attached table I shows some indications of aid performance for 1962.

This year's report by the President's Council of Economic Advisers suggested several measures of the ability and the interest of donors to sustain aid programs: their gross national product, the size of their defense burden, and their dependence on trade with the less-developed countries. These indicators produce this comparison for calendar year 1962:

"The 1962 bilateral aid commitments of the other DAC countries combined amounted to six-tenths of 1 percent of their GNP compared with slightly more than eight-tenths of 1 percent for the United States that year. France and Portugal committed a considerably larger share of GNP than did the United States: 1.26 percent for France, and more than 2 percent for Portugal. The average for the other DAC countries excluding France and Portugal was only four-and-one-half-tenths of 1 percent.

"The per capita GNP of the other DAC countries, however, is far smaller than ours. In 1962 per capita GNP averaged $1,135 for other DAC countries. This is only about 40 percent of the $2,974 per capita GNP for the United States that year.

"Other DAC countries are not spending as much for defense as the United States. Their defense expenditures in 1962 averaged 4.7 percent of GNP, compared to 9.4 percent for the United States.

"Other DAC countries have a greater relative stake in trade with the developing countries than we do. That is, a larger percentage of their GNP—7.5 percent on the average—depends on trade with the developing countries as compared with 2.4 percent for the United States. Despite this, they finance a smaller share of their trade with aid commitments than we do. Their aid financed 17.6 percent of their 1962 exports to developing countries, whereas in the same year nearly 65 percent of U.S. exports to developing countries were financed by aid. Only France, with 37.1 percent and Portugal, with 45.8 percent, approached the U.S. performance."

Weighed together, these comparisons suggest that DAC countries other than France and Portugal could reasonably be expected to increase their aid commitments. Some are doing so. Canada intends to raise its aid expenditures 50 percent in 1964, over a level already raised in 1963. Denmark and Norway say their target is an eventual aid level of 1 percent of GNP. The United Kingdom and Japan have announced their intention to increase the size of their assistance programs. But some others—notably Germany, which we believe could well afford it—show no signs of doing so.

TERMS OF AID

We are concerned not only with the volume of aid from other donors but with the financial terms on which it is given. The attached table II shows the terms of bilateral aid from 1961 to 1963.

In the aggregate the record of the other DAC countries on grant aid is good. In 1962 the 11 DAC aid givers provided 56 percent of their total bilateral aid, or more than $1.3 billion per year, on a grant basis. The comparable U.S. figure for the same year was 65 percent, or $3 billion. However, if $1.7 million of Public Law 480 is excluded, 46 percent of our 1962 aid was on a grant basis.

Two-thirds of the grants of the other DAC countries in 1962 financed capital projects and commodity imports. The remaining one-third financed technical assistance.

"Some 26,000 students and trainees from less-leveloped countries were supported by the other DAC countries that year, compared to 10,388 financed by the United States.

"A total of 75,000 operational and advisory personnel financed by other DAC countries were helping to fill the human resources gap in less-developed countries that year, compared to about 8,500 from the United States."

The loan programs of the other DAC countries are all conducted on less favorable terms than ours. But the last few years have seen marked changes for the better, and we anticipate further liberalization in the future. Take maturities, for example:

"In 1962, U.S. loans to less-developed countries carried an average maturity of 29.9 years.

"No German loans carried more than 5 years' maturity in 1959. By 1961 new German commitments averaged 14.5 years. By 1962 they averaged 17 years. Preliminary figures show the average climbed to 20.2 years in 1963.

"Britain announced a new policy last fall of offering loans up to 30 years' maturity.

"Canada has announced its intention to supplement its existing grant and hard loan programs with a new soft loan program on terms approximating those of the International Development Association: 50 years' maturity, three-fourths of 1 percent interest and 10 years' grace.

"In 1962 Italy made no loans for more than a 12-year repayment period. Since then, however, Italy has made one large loan with an 18-year maturity and another of 25 years' maturity."

Interest rates on the aid loans of other DAC countries have been high—often, in our judgment, much too high for those of the developing countries with serious balance-of-payments problems. In both 1961 and 1962 they averaged 5.1 percent as against 2.6 percent in 1962 for the United States. Our average will rise in the future because of the higher minimum interest rates on AID loans required by the Foreign Assistance Act of 1963. The interest rates of other aid givers, however, are coming down. For example:

"A new British policy provides for a waiver of interest payments for up to 7 years. This lowers the 6-percent-interest rate on a long-

[1] The three main types of economic aid included in the U.S. aid figures used in this statement are: (1) Economic aid under the Foreign Assistance Act, (2) loans made by the Export-Import Bank to less-developed countries for terms of more than 5 years, and (3) provision of U.S. surplus agricultural commodities under Public Law 480.

term loan to an effective rate of about 3 percent. Britain has already granted such a waiver for loans to India, Pakistan, and Turkey totaling $115 million.

"Although the average German rate is 4.2 percent, Germany has been making an increasing number of low-interest loans. Last year, for example, Germany made a loan of $13.2 million to Togo at 2-percent interest with a 30-year maturity.

"As I have already noted, Canada will begin lending on IDA terms—three-fourths of 1 percent interest, 50 years' maturity, and 10 years' grace."

The present softening of aid terms can be traced in large part to a policy agreement reached by the DAC in April 1963. All the DAC members agreed that loan terms should be consistent with the debt-servicing capacity of the recipient countries, that terms should be more nearly comparable among donors, and that these aims should be met by liberalizing the terms of the harder lenders.

GEOGRAPHIC DISTRIBUTION OF AID

A decade ago, the little aid provided by donors other than the United States took the form of assistance from European countries to their colonies. In 1962, about one-fourth of the aid of the other DAC countries went to dependent areas. Today, with only a handful of colonies remaining in the free world, indications are that this proportion has declined to about 10 percent.

Much French, British, Belgian, Dutch, and Italian aid does go to former colonies that are now independent states. The United States has a direct stake in the continuation of this support. It is very much in our interest—our political interest, our budgetary interest, and our balance-of-payments interest—to have Britain carry on sizable aid programs in Kenya and Uganda, to have France do so in French-speaking Africa, and to have Belgium do so in Rwanda and Burundi. Some two-thirds of all development assistance in Africa is now provided by the Western European nations.

European donors are, however, giving more and more aid outside their former colonial dependencies. Both Britain and France have stated their intention of doing so as a matter of policy. France, for example, has made sizable commitments (including soft loans) to Mexico and Greece while Britain is enlarging its technical assistance program in Latin America.

Three of the major DAC donors—Germany, Canada, and Japan—have no colonial connections. Germany has a worldwide program. In the last 3 years, Germany made loan pledges to 65 less-developed countries and provided technical assistance to 70. Canada's assistance ranges through the Commonwealth countries and Latin America. Japan aids much of Asia and Latin America.

The broadening of aid relations is exemplified by the aid expenditures of DAC countries other than the United States in Latin America. In 1960 these totaled less than $50 million. In 1962 they reached $110 million.

One factor that has helped draw European aid into new fields has been the formation of aid consortia. Belgium, Italy, France, Germany, and the Netherlands, for example, are members of the consortium for Pakistan, along with Canada, Japan, the United Kingdom, and the United States. These same countries plus Austria are also members of the aid consortium for India. The same countries minus Japan but including Sweden and Luxembourg are in the Turkish consortium. The attached table III shows DAC aid disbursed through multilateral and consortia type arrangements in 1962.

SINO-SOVIET AID TO LESS-DEVELOPED COUNTRIES

Total extensions of long-term economic development credits by the Sino-Soviet bloc amounted to more than $4.9 billion by the end of fiscal year 1963. Of this amount, the U.S.S.R. contributed $3.4 billion, Communist countries of Eastern Europe contributed $1.1 billion, and Communist China $0.4 billion.

Since the beginning of calendar 1964, bloc countries have extended new economic aid totaling more than $800 million. Major recipients include United Arab Republic, India, and several African countries. A significant proportion of this aid was from Communist China.

About 5 percent of bloc aid is extended in the form of grants. Bloc credits are generally repayable in local currency, with grace periods on principal extending 1 year beyond completion of projects. Interest rates are generally 2.5 percent repayable in 12 years. Some credits (particularly Chinese Communist credits) are extended interest free for up to 50 years.

The following table shows commitments and expenditures for 1961–63.

Sino-Soviet aid to less-developed countries (excluding Cuba)

[In millions]

	1961	1962	1963	1964 (January to June)
Commitments	$1,000	$325	$310	$800+
Expenditures	275	390	475	----------

Soviet aid

Total extensions of long-term economic development credits by the Soviet bloc amounted to an estimated $4.5 billion by the end of 1963, of which the U.S.S.R. contributed $3.4 billion and the Communist countries of Eastern Europe about $1.1 billion. Most of this aid has been extended for specific projects. The largest amounts have gone to Asia and the Middle East.

Drawings on Soviet bloc aid are almost one-third of the credits extended, amounting to about $1.2 billion from the U.S.S.R. (about one-third of its extensions), and more than $300 million from the Communist countries of Eastern Europe (nearly 30 percent of their extensions). Drawings on Soviet bloc aid amounted to almost $450 million in 1963.

Extensions of long-term economic developmental credits by the bloc during 1963 amounted to more than $220 million, most of which was extended by the U.S.S.R. The major commitments were by the U.S.S.R., $100 million to Algeria and $39 million to Iran.

There are about 12,000 economic technicians from the Soviet bloc in the less-developed countries, of which more than 8,800 were from the U.S.S.R. and more than 2,600 from Eastern Europe. Most of these technicians were assisting on Soviet-bloc aid projects.

The attached table IV shows Soviet bloc aid to underdeveloped free world countries from 1954 to 1963.

Chinese Communist aid

Total extensions of long-term economic development credits by Communist China amounted to $446 million by the end of 1963. The largest amounts of this aid have gone to countries in southeast Asia and west Africa. Prior to 1962 a number of Chinese Communist aid extensions were grants, but more recently Chinese economic aid has consisted primarily of credits.

Drawings on Chinese aid amounted to about one-fourth of commitments by the end of 1963; i.e., a little more than $100 million. Many recipients of Chinese aid have received few or no deliveries on their credit or grants.

Extensions of long-term economic developmental credits by the Chinese Communists during 1963 amounted to about $89 million, all of which went to African countries.

In the latter half of 1963 there were an estimated 470 economic technicians from Communist China in the less-developed countries, of which a handful were in Yemen and the rest were in Africa and in Asia. Many of these technicians were assisting on Chinese aid projects in either a technical or manual capacity.

The attached table V shows Chinese Communist aid to underdeveloped free world countries from 1954 to 1963.

TABLE I.—*1962 bilateral aid commitments* [1] *and various measures of donor capacity and interest*

	Bilateral aid commitments	Bilateral aid commitments as percent of GNP [2]	GNP per capita	Defense expenditures as percent of GNP	Bilateral commitments as percent of exports to LDC's	Bilateral commitments as percent of total trade with LDC's	Total LDC trade as percent of donor GNP		Bilateral aid commitments	Bilateral aid commitments as percent of GNP [2]	GNP per capita	Defense expenditures as percent of GNP	Bilateral commitments as percent of exports to LDC's	Bilateral commitments as percent of total trade with LDC's	Total LDC trade as percent of donor GNP
	Millions								*Millions*						
Belgium [3]	$70	0.55	$1,381	3.3	12.8	5.5	10.0	Portugal	$60	2.21	$294	7.4	45.8	20.3	10.9
Canada	58	.16	2,009	4.5	13.3	5.2	3.0	United Kingdom	556	.70	1,482	6.4	16.2	7.2	9.7
Denmark [4]	1	.01	1,559	3.1	.6	.3	4.1								
France [5]	901	1.26	1,524	6.1	37.1	17.6	7.2	Total, other DAC	2,445	.60	1,135	4.7	17.6	8.1	7.5
Germany	428	.50	1,558	5.1	16.8	7.8	6.4	United States	4,656	.84	2,974	9.4	64.9	35.1	2.4
Italy	60	.15	788	3.5	5.6	2.3	6.7								
Japan	265	.51	547	1.1	11.4	6.0	8.6	Total, DAC	7,101	.74	1,766	7.4	33.8	16.3	4.5
Netherlands	42	.32	1,105	4.6	6.0	2.5	12.8								
Norway	4	.08	1,423	3.7	3.4	1.3	6.0								

[1] Grants and loans over 5 years.
[2] GNP at current market prices.
[3] Bilateral gross expenditure figures.
[4] 1961 figure.
[5] Grant component is expenditure figure.

TABLE II(a).—*1961 bilateral aid commitments: Grants, loans, and average loan terms*

[Dollars in millions]

Country	Total bilateral aid commitments	Grants	Grants as percent of total	Loans over 5 years	Average maturity [1]	Average interest [1]	Country	Total bilateral aid commitments	Grants	Grants as percent of total	Loans over 5 years	Average maturity [1]	Average interest [1]
Belgium [2]	$71	$71	100				Norway	$1	$1	100			
Canada	96	56	58	40	10.7	6.0	Portugal	58	3	5	55	22.9	4.6
Denmark	1	1	100				United Kingdom	402	150	37	252	22.9	6.0
France [3]	977	787	81	190	23.9	3.3							
Germany	401	125	31	276	14.5	4.7	Total, other DAC	2,419	1,338	55	1,081	17.8	5.1
Italy	64	29	45	35	7.5	4.5	United States	4,418	[4] 2,910	66	[5] 1,508	21.6	4.1
Japan	308	81	26	227	12.2	6.4							
Netherlands	40	34	85	6	26.0	2.4	Total, DAC	6,837	4,248	62	2,589	19.9	4.5

[1] Data available lacks some precision or consistency; these average terms should be regarded as rough orders of magnitude.
[2] Expenditures.
[3] Grants are expenditures; loans are commitments.
[4] Includes country use portion of sales under Public Law 480, title I and commodity grants under Public Law 480, titles II and III.
[5] Includes Foreign Assistance Act, Export-Import Bank, and Public Law 480, title IV commodity loans.

TABLE II(b).—*1962 bilateral aid commitments: Grants, loans, and average loan terms*

[Dollars in millions]

Country	Total bilateral aid commitments	Grants	Grants as percent of total	Loans over 5 years	Average maturity [1]	Average interest [1]	Country	Total bilateral aid commitments	Grants	Grants as percent of total	Loans over 5 years	Average maturity [1]	Average interest [1]
Belgium [2]	$70	$66	94	4	7.5	5.5	Norway	$4	$4	100			
Canada	58	44	76	14	14.0	6.0	Portugal	60	3	5	57	22.4	4.6
Denmark	1	71	100				United Kingdom	556	158	28	398	26.3	5.6
France [3]	901	772	86	129	23.3	4.4							
Germany	428	154	36	274	17.0	4.2	Total, other DAC	2,445	1,336	55	1,109	19.8	5.1
Italy	60	19	32	41	9.8	4.9	United States	4,656	[4] 3,025	65	[5] 1,631	29.9	2.6
Japan	265	104	39	161	8.1	6.1							
Netherlands	42	11	26	31	20.0	5.0	Total, DAC	7,101	4,361	61	2,740	25.8	3.6

[1] Data available lacks precision or consistency; these average terms should be regarded as rough orders of magnitude.
[2] Expenditures; interest rate is assumption.
[3] Grants are expenditures; loans are commitments.
[4] Includes country use portion of sales under Public Law 480, title I, and commodity grants under Public Law 480, titles II and III.
[5] Includes Foreign Assistance Act, Export-Import Bank, and Public Law 480, title IV commodity loans.

TABLE II(c).—*1963 bilateral aid commitments: Grants, loans, and average loan terms*

[Dollars in millions] [1]

Country	Total bilateral aid commitments	Grants	Grants as percent of total	Loans over 5 years	Average maturity [1]	Average interest [1]	Country	Total bilateral aid commitments	Grants	Grants as percent of total	Loans over 5 years	Average maturity [1]	Average interest [1]
Belgium	$83	$76	92	7	(2)	(2)	Norway	$4	$3	75	1	(2)	(2)
Canada	125	44	35	82	(2)	(2)	Portugal	54	9	17	45	(2)	(2)
Denmark	7	5	71	2	(2)	(2)	United Kingdom	458	219	48	239	(2)	(2)
France	877	697	80	180	(2)	(2)							
Germany	665	155	23	510	(2)	(2)	Total, other DAC	2,708	1,311	48	1,399	(2)	(2)
Italy	128	14	11	114	(2)	(2)	United States	4,056	2,457	60	1,599	(2)	(2)
Japan	268	80	30	188	(2)	(2)							
Netherlands	39	9	23	31	(2)	(2)	Total, DAC	6,764	3,768	55	2,988	(2)	(2)

[1] Preliminary DAC figures.
[2] Precise data on interest rates and maturities not yet available for 1963.

TABLE III.—*1962 DAC multilateral aid and bilateral aid subject to coordination, and percentages, total official aid*

[Dollars in millions]

	(1)	(2)		(3)		(4)		(5)
	Total net official aid disbursements	Total multilateral aid contributions		Total net bilateral aid subject to coordination [1]		Total net multilateral aid and bilateral aid subject to coordination (2+3)		Percent col. (1) is of gross national product
		Amount	Percent of net official aid	Amount	Percent of net official aid	Amount	Percent of net official aid	
Belgium	$96.9	$28.3	29.2	$65.31	67.4	$93.61	96.6	0.76
Canada	50.3	12.8	25.4	25.44	50.6	38.24	76.0	.13
Denmark	8.5	7.8	91.8			7.80	91.8	.11
France [2]	995.9	116.7	11.7	19.90	2.0	136.60	13.7	.39
Germany	426.9	102.3	24.0	144.06	33.7	246.36	57.7	.50
Italy	66.4	31.5	47.4	19.90	30.0	51.40	77.4	.17
Japan	165.1	7.1	4.3	120.56	73.0	127.66	77.3	.32
Netherlands	85.7	43.7	51.0	.94		42.76	49.9	.66
Norway	1.4	.2	14.3	.40	28.6	.60	42.9	.04
Portugal	37.3	.1	.3			.10	.3	1.36
United Kingdom	416.7	39.5	9.5	192.63	46.2	232.13	55.7	.53
Total, other DAC	2,351.0	390.0	16.6	578.26	25.0	977.26	41.6	.58
United States	3,606.0	278.0	7.7	2,138.00	59.3	2,416.00	67.0	.65
Total, DAC	5,957.0	668.0	11.2	2,725.26	45.7	3,393.26	57.0	.62

[1] Disbursements of members of IBRD consortia for India and Pakistan, OECD consortia for Greece and Turkey, IBRD consultative groups for Colombia, Nigeria, and Tunisia, OECD/DAC coordinating groups for Thailand, Indonesia, East Africa (Kenya, Tanganyika, Uganda), and the Congo (Léopoldville), and DAC meetings on South Vietnam, Philippines, South Korea, China (Taiwan), Argentina, Brazil, and Chile.
[2] French bilateral aid to coordinated efforts includes Laos and Cambodia, and estimate for Tunisia.

TABLE IV.—*Estimated Soviet bloc credits and grants to the less-developed countries of the free world, 1954–63*

[Million U.S. dollars]

Area and country:	Total
Total	4,453
Latin America	287
Argentina	104
Brazil	183
Middle East	1,237
Cyprus	1
Iran	45
Iraq	218
Syria	193
Turkey	17
Egypt	736
Yemen	27
Africa	718
Algeria	108
Ethiopia	114
Ghana	171
Guinea	97
Mali	78
Morocco	17
Somali Republic	63
Sudan	22
Tunisia	48
Asia	2,207
Afghanistan	507
Burma	15
Cambodia	26
Ceylon	40
India	982
Indonesia	594
Nepal	10
Pakistan	33
Europe	4
Iceland	4

TABLE V.—*Estimated economic credits and grants extended by Communist China to non-Communist less-developed countries, 1954–63*

[Million U.S. dollars]

Area and country:	Amount
Total	446
Latin America	0
Middle East	37
Syria	16
United Arab Republic	5
Yemen	16
Africa	138
Algeria	50
Ghana	20
Guinea	25
Mali	20
Somali Republic	23
Asia	271
Burma	84
Cambodia	50
Ceylon	36
Indonesia	57
Nepal	44

COMPARISONS DO NOT TELL WHETHER U.S. AID IS SOUND

Mr. MORSE. Comparisons with other nations, free or Communist, do not tell us anything about whether the U.S. aid program is sound. If every other nation in the world is hellbent for bankruptcy, that would not be a reason for the United States to get there first. No doubt there are many nations that spend a bigger share of their gross national product on liquor, cigarettes, and gambling than we do, but that does not mean that we must embark on a national effort to outdo them.

France, which is the favorite example in this comparison, is not only spending a higher percentage of her gross national product on foreign aid than we are, but she is spending a higher percentage on development of her nuclear weapons systems. Surely this does not mean we must increase our outlay there, too. Yet that is the implication of the comparison.

The only important question for us is whether the money the United States does spend on aid is effective and worthwhile in promoting the economic betterment which we advertise as its purpose. I do not think it is, or at least not enough of it is to justify the sum requested for the fiscal year 1965.

FOREIGN AID AS A SLUSH FUND

Many advocates of aid think they are being sophisticated in recommending foreign aid as a slush fund to buy off other countries. They often say that every great nation has had to do the same thing, and that the United States should now undertake to carry the same burden, with the understanding that it is a waste of money and is spent only to prevent unfavorable things from happening.

Our experience shows that countries do not remain bought off. Pakistan did not remain bought off. Pakistan is entering into agreements with Red China. The Foreign Minister of Pakistan stood up in the Washington, D.C., Press Club not so many weeks ago and blatantly pointed out that they have no intention of being of any assistance to us in South Vietnam. Yet we poured millions and millions of dollars of aid into Pakistan. To build up what? To build up her military forces for a potential war with India over Kashmir. We poured many millions of dollars into India, for the same purpose.

The sad, shocking danger is that if Pakistan and India go to war over Kashmir, they will fight it almost entirely with American military equipment. Does that make friends for us in the world? It makes Communists.

Mr. President, it is just such unsound policy on foreign aid that is strengthening the drive for communism. I want to see it stopped. Our foreign aid program has been a colossal failure as a check upon communism; and I care not what part of the world we name.

Our own defense posture has held Russia in check—not the defense posture of Turkey, Greece, Pakistan, India, or any of the other countries whose military power we have developed. What I have said about Pakistan and India is equally applicable to Turkey and Greece. They would be worthless to us in the event of a war with Russia. Yet, there is a danger in the Mediterranean that Greece and Turkey might get into a war with each other—totally equipped on each side with American military equipment. Reconcile that with morality. It cannot be done. We cannot eliminate moral principles from American foreign aid policy. Much of it cannot be squared with principles of morality.

Several things are wrong with the view of using foreign aid as a slush fund. First of all, it assumes that money (or military equipment) buys more than it does. To holders of this view, the giving of money is synonymous with the influencing of the recipient; but more often than not, recipients, in the manner of Sukarno, take the money and then do as they intended to anyway.

I wonder what America's foreign aid policy would be in Indonesia if there were not in the neighborhood of $2 billion worth of oil investments there. I wonder if the explorations for oil in South Vietnam and the planned building of an oil refinery in South Vietnam by an American oil company might have some indirect influence upon foreign aid in South Vietnam.

The best way to make perfectly clear that it does not have any influence is to ask the United Nations to replace the United States in South Vietnam. I shall have more to say about that later this week.

Mr. President, the slush fund to Sukarno did not hold him in line. Slush funds by way of foreign aid have not kept the recipient countries in line. The principle upon which such an approach is based is not sound.

Second, handing out money and weapons with the idea that they will promote political stability, or keep friendly governments in power, or prop up a bloated military establishment in a foreign country are all efforts to impose a political order from the top down. The underlying causes of unrest or susceptibility to communism are ignored, and sometimes worsened.

These uses of foreign aid are justified with such phrases as "forward defense against communism," "vital to the interests of the United States," and "of strategic importance to the United States," concepts that now embrace virtually the entire globe.

It is semantic "hokum." The Department of State and the AID officials in the Pentagon have been trying to feed the American people semantic "hokum." But they are getting ready to regurgitate. They will not swallow it any longer.

Most of the countries receiving huge and largely unconditional aid on the ground that they border the Communist bloc are already protected by mutual defense treaties with us, and by our retaliatory capacity.

The real justification for "forward defense" aid is not that the recipient can use it against communism, because a nonindustrial country that cannot support a peacetime army cannot sustain a war effort against Russia or China. Once Europe and Japan were rebuilt and rearmed, military aid ceased to have much practical value for indigenous forces. What "forward defense" aid does buy is entree for American military and intelligence agencies close to Communist borders. For these privileges, we have paid since World War II a dozen times more than we need to have paid.

I shall say something about Turkey later. Turkey is one of the horrible examples. Turkey could not begin to support its military establishment with its economy. Turkey is not protected by its military establishment. Turkey is protected by the striking power of the United States. We have been pouring hundreds of millions of dollars into Turkey for the operation of government industry. Plant after plant in Turkey is government owned. The evidence is perfectly clear—and the Comptroller General's report makes it clear too—that the government plants are used for the employment of a large percentage of the people over and above the need of the employer to operate an efficient plant.

It is a sort of government dole, handed out with American taxpayer dollars. It is a make-work program. Yet when we try to obtain needed assistance in our own country for some of our depressed areas, we see the trouble that we encounter. But not in Turkey. In my judgment, much of the economic aid, as well as much of the military aid to Turkey, is a shocking waste of the American taxpayers' dollars. I do not believe we ought to be supporting with an AID program these government-commercial monopolies in Turkey.

Many will say: "Anything that helps us against Russia and China is worth while." But our failure to insist on sound economic standards even for this aid has not helped us. It only means that we are still vulnerable to eviction from these countries without, in the meantime, having improved their economic prospects.

ECONOMIC FREEDOM SHOULD BE BASIC PURPOSE OF AID

In the long run, climates and attitudes sympathetic to the United States and compatible with American objectives will have to be created by the creation, first, of economic freedom in these countries. And economic freedom can only be advanced through the developmental part of the AID program.

But, sad to say, of the economic section of the program, not more than half is devoted to bona fide economic development. Supporting assistance, the contingency fund, and nonproject loans from the development loan fund are but political props and pay-offs to foreign governments. They do not develop; they merely patch over and perpetuate the lack of development.

Even the technical assistance program is being used for transportation and communication projects against the day when they may be of use to American forces, and to train small-time police states in emerging countries.

The words "economic freedom of choice," without which the security of this country will never be strengthened in this world, are being relegated to whatever is left over in the foreign aid pot. Education, sanitation, vocational training, capital projects, agricultural extension—the activities that our officials trot out to gain support for aid among the unknowing American people—these constitute at most only about 40 percent of the $3.5 billion being requested.

Cutting the $1 billion-plus military aid expenditure in half and applying the unproductive economic aid to genuine economic development projects would do more to strengthen the longrun security of the United States than any other changes that could be made in the foreign aid program.

NO EVIDENCE OF CHANGE IN CURRENT PROGRAM

Since January, Congress and the American people have been told again and again that this year the program is being tightened, curtailed, and improved. But there is no hint in any of the material presented to the committee of where these changes are taking place. All that Congress is given in the annual presentation is a look at on-going programs, started in the current fiscal year or before.

Contrary to past efforts and directives from Congress, requested funds for supporting assistance have been increased over last year, even without the additional request for Vietnam. This grant economic aid has been a target for congressional criticism since adoption of the Mansfield amendment in 1959, calling for its eventual termination. The aid request for this category is a backward step from the Mansfield reform.

Unspecified loans called program loans abounded in fiscal 1964, and they apparently are to be used just as freely in fiscal 1965. Project loans finance the importing of commodities for specific projects whose soundness can be verified by AID officials; but program loans go to balance accounts and finance imports in general. In many countries these include imports that contribute nothing to local improvement and development. They only create a debt obligation to the United States whose chances of repayment are slim.

I warn the American people that, in my judgment, a large bulk—probably the larger bulk—of the 40-year loans at three-fourths of 1 percent interest, 10-year grace period in which no payments will be made, and then payment in soft currency, will never be repaid at all. It would be more direct and honest to designate them as outright grants.

Mr. President, they are not psychologically beneficial, either, because—and this is particularly true in Latin America—many of the people recognize the deception of this approach. We ought not to present that image of the United States to the world. We ought to make either loans or grants. We ought not to pretend that we are making a loan when we give the money on the basis of interest of three-fourths of 1 percent, with a 10-year grace period for no payment, and 40 to 50 years in which to repay, and then in many instances in soft currency. We would win more respect for ourselves if we did not engage in such deceitful semantics.

Moratoriums on debt obligations due us from Turkey and Brazil, and the prospect of renegotiation of Argentina's obligations, call for a much tighter control by Congress over this type of loan. In the case of Brazil and Turkey, we are making them new soft loans even as we give them moratoriums on repayment of old ones.

These loans, as with aid in general, are touted as creating a future market for American goods. Tommyrot. This theory is based on the advertising gimmick of giving away free samples. But their cost is absorbed by the American taxpayer, not the manufacturer. Yet testimony to this committee—not from administration sources but from U.S. commercial sources—brought out that in Colombia and Chile, U.S. exports declined as these countries received our goods under program loans and diverted the foreign exchange saving into new purchases from the European exporters, not U.S. exporters. Worst of all, the chances that the taxpayers will ever recover any of this subsidy to American business are not good.

It is no wonder that committees of U.S. businessmen are becoming the major tub thumpers for foreign aid.

So far as Latin America is concerned, the indications are that the aid standards are being loosened, not tightened. A $50 million loan for no particular development purpose, but just to balance international payments, has been extended to Brazil. This is despite the suspension of loans, pending fulfillment of certain economic conditions by the Brazilian Government. There is as yet no more or better economic performance to justify a loan than there had been under the previous government. But once a new junta takes over in Latin America, we rush to curry favor with it, and in Brazil it is costing us already $50 million.

In fact, the U.S. aid program in four other junta-ruled countries of Latin America where constitutional governments were pushed out, has been resumed. These are the Dominican Republic, Guatemala, Ecuador, and Honduras. This is a full turnback to the evil days of the 1950's when the United States gained a record level of ill will and ill repute among the people of Latin America who had to live under the brutal heel of U.S.-supported tyrants. The Alliance for Progress was supposed to have changed all that by financing economic reform within a framework of political freedom and domocratic institutions. But today we are merely handing out more money for the same old purposes as before.

Having ignored ourselves the political conditions for aid under the Alliance, our partners feel free to ignore the self-help conditions as well. Why should they not when they get this money anyway?

Later I shall discuss the President's contingency fund. Why in the world we should go along with the proposal to give him $150 million, to spend at his own discretion, I am at a loss to understand, particularly when we take note of how contingency funds have been spent in recent years. "Slugs" have been spent to help governments balance their budgets, to help them with payments, to help them pay debts. That is a misuse of the President's contingency fund. I protested it last year. I shall protest it this year.

The purpose of a President's contingency fund is to give a President of the United States overnight funds. That is all. It takes 20 minutes to get from the White House to Congress for the President to come before the Congress in an emergency. Any time the President has an emergency to lay before the Congress, he can get the funds, if he shows there is an emergency.

It goes back to the point I made earlier about the danger of Government by secrecy. No President—I do not care who he is—should be allowed to have $150 million to play with any way he wants to play with it in America's foreign affairs. It is a dangerous power. It is an unchecked power. It is in violation of the theory of our form of government. No President should be given an unchecked power. Fifty million dollars is ample for any overnight need of any President of the United States.

I say respectfully, but the record speaks for itself, that Presidential contingency funds have been abused in the past several years, in my judgment, and that abuse should be stopped.

FUNDS SHOULD NOT GO ABOVE FISCAL 1964

As reported by the Committee on Foreign Relations, the bill increases the program for fiscal year 1965 over the program for fiscal 1964. This has been done despite the overwhelming evidence that the American people are demanding long overdue reductions in the foreign aid burden, that the impact of the aid program is woefully smaller than its size, that U.S. Government funds are increasingly needed at home, and that our so-called allies are permitted to shirk their responsibilities because of our often reckless generosity.

Undoubtedly the administration sincerely believes its appropriation request for $3,516,700,000 to be a barebones budget. However, the determining factor in shaping this request had to be the judgment of the Agency for International Development. And our past experience has made it painfully clear that—at a minimum—there is nothing sacrosanct about the AID judgment. The Congress, on the other hand, is not—or should not be—content merely to accept the arguments of stanch advocates, but takes into account a range of other sources of information. Foremost among the latter are the reports by the Comptroller General of the United States, which time after time have severely criticized in detail the planning, the programing, and the implementation of the aid program. On the basis of such information, as well as a full study of the AID presentation material, I can only conclude that there is a great deal of fat clinging to the barebones.

The appropriation last year, for fiscal 1964, was an even $3 billion—a cut of almost $2 billion from the original budget request. Judging by the cries of anguish and forecasts of catastrophe which rose from Foggy Bottom during that trimming process, one might have envisioned the United States and the rest of the free world sliding irretrievably toward disaster. Yet a year later the Republic still stands, and no one is able to point to any foreign policy reverse attributable to a lack of aid funds. Indeed, our setbacks appear to have come in the Mediterranean and in southeast Asia, areas into which the United States has poured money most lavishly.

During this year's hearings and committee discussions no evidence was presented to justify an authorization for fiscal year 1965 of almost $467 million more than the $3 billion appropriated for fiscal 1964. It might be noted in this connection that a great deal of attention and lipservice was given last year to the so-called Clay Committee report. While I disagreed strongly with that report's inflated financial recommendations, it did contain the extremely valid proposition that there should be a gradual but steady reduction in the size of the aid program annually in the future. Our experience last year with a program scaled to $3 billion in new funds certainly suggests that a cut even below that level could be safely made this year.

Because of a carryover from prior year appropriations, the final figure for the fiscal 1964 program was almost $3.4 billion, rather than $3 billion. The carryover this year supposedly is only to be about $53 million. If true, and if the $3 billion level of new money were maintained, the end result would be a reduction of about $344 million under last year's figures. The word "supposedly" must be emphasized. For the administrators of the AID program are highly accomplished producers of rabbits from their hats, and there is good reason to believe that other funds may in time be brought out of hiding. Indeed, when such a wonderland category as "deobligations of prior year obligations" is counted, the understandably confused American man-in-the-street finds that the foreign aid program which he thought was $3 billion last year turned out to be in excess of $3.6 billion. The conclusion that $3 billion in new money would not represent any real reduction from last year is shared by many Members of the House, who wrote in the minority views in the House Appropriations Committee report:

> Further, it is impossible for the Appropriations Committee to ascertain with any degree of accuracy the amount of unobligated funds which are left at the end of the fiscal year. It has been stated that these figures for any fiscal year are not available until October of the following year.

FOREIGN ASSISTANCE ACT ONLY A PART OF TOTAL FOREIGN AID

This leads to another major objection to the character of the foreign aid program as it now stands. It is only the beginning figure for what we spend overseas on an annual basis. Many Members of the Congress, much less the American public, have only the haziest idea of how money is involved in our contributions to a large number of international financial and developmental organizations, and in our shipments of agricultural surpluses.

Moreover, executive branch requests for the same general purpose in successive years have a tendency to disappear from one bill or category and turn up in another. For example, $135 million for Latin American development—through the Inter-American Bank's social progress trust fund—contained in the 1964 foreign aid appropriation bill does not recur this year. At first blush this might appear as a reduction in our total aid. But no, the administration has just submitted a separate new request for $750 million over a 3-year period for the same purpose with a slight change in terminology. There is no corresponding cut in this bill. Under these circumstances it is extraordinarily difficult to perceive the overall total of United States foreign aid, and to make intelligent judgments about the validity of its components, such as those contained in this bill.

EXCESSIVE NUMBER OF COUNTRIES CONTINUE TO RECEIVE BILATERAL AID

This confusion carries over into the question of how many countries are feeding at the American trough. If only aid under the Foreign Assistance Act is counted, then some 83 countries are scheduled to receive assistance in fiscal year 1965. But the total rises to over 90 countries and territories when all forms of assistance are counted. And indeed they should be counted. The administration can scarcely claim it is extending little aid to Nasser's Egypt, for instance, when Public Law 480 supplies are flooding that country.

Now it appears that the number of countries getting help under the Foreign Assistance Act has fallen by something like the figure of 10. It is noteworthy that there is no commensurate cut in the administration request for new funds. On the contrary, the AID officials point with pride to the growing concentration of effort in fewer "key" countries. By that standard, no matter how many nonessential applicants are cut off the AID payroll, the level of foreign assistance requests is likely to remain unchanged.

Anyone reading the majority committee report, supported by the majority of members who voted for this bill, will be struck by the absence of persuasive answers to the outstanding questions which have always surrounded the foreign aid program. It is said that it is unrealistic to expect agreement on the purposes and aims of the foreign aid program. This at least is refreshing candor, although there is little novelty in the observation. My own experience with AID officials has always been that when I make a valid criticism of an economic project, they say the objective in that case is not economic but political—and vice versa in other cases. In numerous instances those officials have accepted the validity of my criticisms "in principle" but have cited so-called special circumstances which prevent them from taking corrective action. It is no wonder that we have difficulty in justifying foreign aid expenditures to our constituents.

The committee report states that the total of U.S. bilateral aid is declining. Yet, as substantiation, it merely cites the difference between last year's administration request and the one this year. The fact is there is no hard evidence to cite which would back up that statement in terms of last year and this.

The majority report then goes on to note that "aid has been terminated in 17 countries." But it ignores the fact that some of these countries were cut off several years ago, and have been trotted out each year since as happy examples. In any event, as stated above, a reduction in recipients means little without a consequent reduction in expenditures.

A table is inserted in the report which supposedly "should provide some reassurance" that our development loans will be repaid. The only conclusion I draw from that table is that the World Bank—whose record is not at issue—has done extremely well with its hard loans on stringent criteria. I join Senators MUNDT and LAUSCHE in their objections to the easy terms of most of our loans.

I call this an obvious fallacy in the misleading statement of the AID administration and I issue the challenge: "Do you want to adopt the World Bank procedures and policies for your loans? If you do, I am all for you."

But to cite the World Bank, which issues hard loans, which charges interest rates that ought to be charged, as an example or as an argument in support of the fallacious contention that AID loans will be repaid is pure deception.

Mr. President, I resent such an insult to my intelligence. But that is what we are up against when we deal with the AID administration. The AID administration ought to be swept clean. We ought to bring an end to the whole program and start all over again on the basis of conditions that Congress lays down, instead of always passing the buck to the executive branch of the Government to determine the conditions.

Finally, the majority report meets the criticism that our industrialized friends are failing to take a fair share of the foreign aid burden by stating:

> This is a complicated question, for which there is no categorical answer.

It is about time that the majority of the Committee on Foreign Relations set about trying to find some of the answers, instead of passing the buck to the State Department, the AID officials, and the Pentagon. Read the report of the Committee on Foreign Relations of a year ago and compare it with the report of the Committee on Foreign Relations this year. It is almost unthinkable and unbelievable that it was written by the same members of the committee, but it was.

A year ago, the majority of the Committee on Foreign Relations tried to sell us an unsound report with the pleading, the rationalization, and the semantics in that report of a warning to the State Department and the AID officials, "If you do not do something in the intervening year, you will be in trouble; something will have to be done on the Hill."

What has been done? Let the chairman of the Committee on Foreign Relations take the floor of the Senate and give us a bill of particulars as to what has been done to carry out his report of a year ago. I charge now, as I charged a year ago, that what the committee did then, as it is doing now, was to pass the buck back to the administration.

When we raise the objections that I raise, we are told, "These are complicated questions, for which there is no categorical answer." The American people are entitled to have some answers. It is about time the majority of the Committee on Foreign Relations started to supply the answers instead of writing the kind of report we have received again this year. Again, the statistical information contained in the report simply does not support an optimistic conclusion.

In the following sections I set forth my own specific conclusions and recommendations for cutbacks in funds, which latter are summarized at the end in tabular form.

DEVELOPMENT LOANS

Congress should reduce funds for development loans so long as these loans continue to be made for general purposes and not for specific projects. The House Foreign Affairs Committee report, in both its majority and minority views, was critical of the large sums in program loans during fiscal 1964. Yet Congress must be aware by now that mere criticism in a committee report makes no impact whatsoever on the foreign aid program.

I repeat what I said earlier this afternoon: Do not provide blanket funds; do not provide blanket authority in dealing with development loans. If money is wanted for development loans, the applicants should be required to submit specific projects to the committees and to Congress for specific approval, just as every Senator who seeks a project for his own State must submit a specific program showing that a cost-benefit-ratio formula is being met.

We cannot clean up foreign aid if we leave the policy decisions to Foggy Bottom. We will not clean up foreign aid until Congress does the job which is clearly its job as the caretaker of the public pursestrings, and passes its valued judgments upon specific requests for specific loans for specific projects.

I agree with the House committee. Congress must be aware by now that it will have to insist upon specific projects if foreign aid is ever to be cleaned up.

Said the majority report:

> Nevertheless, the committee believes that countries which progress to the point where they qualify for large development loans should be encouraged to assume increasing responsibility for financing their imports, except imports related to projects for which loans are made. There is danger that dependence on the United States for such financing could result in levels of consumption higher than the recipient could normally sustain and could encourage unsound financial and monetary practices.

The minority report of the House committee showed program loans in fiscal 1964 as follows:

	Million
Tanganyika	$1
Tunisia	10
India	275
Pakistan	100
Turkey	70
Chile	40
Colombia	15

This makes a total of $511 million. Since then, Brazil has received a $50 million program loan.

This means that about a third of all development loan funds available for fiscal 1964 have already been lent for general purposes unrelated to any specific development project.

Turkey again ranks as the No. 1 failure of the foreign aid program and among the No. 1 recipients of program loans. She is receiving over $100 million in economic aid this fiscal year, and considerably more in fiscal 1965, most of it in "program" loans.

Both the Organization for European Cooperation and Development and the General Accounting Office of the United States have found Turkey's economic development to have stagnated despite the huge American aid program—these since 1947. The OECD report of 1963 was prepared for a consortium of Western European countries that were supposed to join the United States in financing Turkey's development. AID presentations always refer to this consortium but do not mention that its total pledges amount to less than the American aid alone, and that the European members are not coming through on their pledges because Turkey has not carried out the reforms required.

Let us not forget the lesson of that precedent. If we follow the policy we have been following toward Turkey, we shall be confronted with the argument from many another country, "Well, you let Turkey do it; why not us?"

Either we shall operate the foreign aid program on a sound procedural basis, with fair conditions imposed and enforced, or we shall run into the kind of wasteful expenditure of taxpayers' money that has occurred in Turkey.

Mr. President, our aid program to Turkey, in my judgment, has involved the waste of many millions of taxpayers' dollars. We should stop it. Senators should not get the idea that they are supporting democracy in Turkey because there is no democracy in Turkey.

Although the United States has put $1,670 million into Turkey's economy since 1947—let me repeat: the American taxpayers, through their Government, have poured into Turkey's economy since 1947, $1,670 million—and given her combined military and economic aid of over $4 billion, that country's economic condition is worsening. The population increase has almost entirely wiped out the increase in the gross national product.

If anyone wishes an example of the failure of the representation about foreign aid, while it is supposedly accomplishing so much, take a look at Turkey. Since 1947, we have poured more than $4 billion into Turkey, and yet there is no democracy there. There is no strong private economy in Turkey. It is, by and large, a state monopoly economy. We are maintaining a military establishment there which Turkey could not possibly maintain.

It would be much better for us to follow the kind of aid program which I announced at the beginning of my speech I would gladly support, dealing with loans and hard money loans to specific economic projects, which will do something for the people of Turkey and help their standard of living, then to

engage in the kind of wasteful programs we have been engaging in there.

If there is any question about my position, read the reports of the Comptroller General. Senators can read them. So can the public read this one. I do not see how anyone can read the Comptroller General's reports on Turkey and go along with this bill.

Reform of the grossly wasteful state enterprises, and tax reform are the most urgent. The U.S. General Accounting Office reported a few weeks ago:

In the absence of a development plan and adequate information about the economy's resources and needs, the commodity import program (which has been the largest segment of United States economic dollar aid to Turkey) was an integrated part of the financing of Turkey's overall import programs and as such was not geared to specific long-range objectives. Moreover, substantial amounts of local currency generated under the commodity import program were allocated for the general support of investment budgets of state economic enterprises (those owned by the Turkish Government). Because neither the Turkish Government nor the mission exercised adequate control over commodity imports and the operations and investment programs of state enterprises, aid funds frequently were used to nonessential or low-priority purposes. State enterprises also received U.S. dollar aid to finance the foreign exchange cost of facilities which had been poorly utilized or not utilized at all. Assistance was freely provided some state enterprises notwithstanding their inefficient operations and uneconomical practices.

In a supplement to our prior report on the Turkey program, we pointed out that accomplishments in Turkey's economic development and support of the country's defense efforts had been accompanied by serious economic problems with consequent increases in the amount of aid required from the United States. The average level of U.S. aid for the 5 fiscal years (1958–62) covered by our recent examination increased significantly over the level for the preceding periods. Moreover, U.S. officials estimate that during the 5-year period which began March 1, 1963, Turkey will need more aid than heretofore from both the United States and others and that Turkey will not reach self-sustaining growth before 1975. Steps taken since the military coup of May 1960 offer promise that sound and necessary economic control measures may be forthcoming, but much remains to be done. As can be seen from the above there is a need for more effective action to improve operations and increase earnings of state economic enterprises and for more productive utilization of resources available to Turkey.

Some Senator speaking on the floor of the Senate in 1975, if we go through with this prognosis, will be saying, in my judgment, just about what the senior Senator from Oregon is saying today. The Turkish system will not bring about resulting economic freedom. I shall not vote to waste American taxpayers' dollars in that way. I shall not vote to sink American taxpayers' dollars in such bottomless pits as Turkey.

A continuation of a wasteful foreign aid program to Turkey cannot be justified. I shall not vote for a foreign aid bill that includes it.

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

Mr. MORSE. I yield.

Mr. LAUSCHE. I listened to the reading of the report concerning aid that has been given to Turkey. I believe it is stated in the report that there was waste and inefficiency in the governmental enterprises.

Mr. MORSE. It was shocking. Read the report of the Comptroller General on that point.

Mr. LAUSCHE. Does the senior Senator from Oregon object to the granting of aid to Turkey because of the governmental operations as distinguished from private operations, or is it on that ground and additional grounds?

Mr. MORSE. Oh, it is based on many additional grounds. I am not taking the position that we should not aid a country that may decide that it wants to conduct on a governmental, monopolistic basis, certain operations that are vested with the public interest. I do not like them. It happens to be their right. But I shall not vote the taxpayers' money to support grossly inefficient and wasteful industries, be they public or private. And I shall not vote the taxpayers' money to support state monopolies in the fields of what ought to be private enterprise.

Mr. LAUSCHE. I thank the Senator.

Mr. MORSE. I suppose I am odd about my position in regard to the use of aid. I have said over and over again that we must look at it from the standpoint of our self-interest. We must look at it from the standpoint of whether or not we can really try to export economic freedom.

The Senator has heard me say time and time again that there is no hope for political freedom anywhere in the world, in any country that we are trying to help, unless we first prepare the seedbeds of economic freedom. We cannot export political freedom. We have tried to do it. It has been a colossal mistake and failure for years. But we can export the institutions of economic freedom, and the interesting lesson of history is that we cannot cite in the history of mankind a people who were economically free who were not also politically free. We cannot cite that any people who were politically free lived under the kind of economic totalitarianism under which the Turks live.

Mr. LAUSCHE. Mr. President, do I correctly understand that the senior Senator from Oregon does not believe that the AID program should be discontinued, but does believe that it has been administered in many instances on policies that were wrong, and also administratively inefficient?

Mr. MORSE. Early this afternoon, I stated I would vote more money than this bill calls for if the AID program were reformed. It makes a great deal of difference to me whether they are asking for hundreds of millions of dollars for so-called loans which are deceptive. As I have stated over and over again, as an experienced teacher, I know the value of repetition in the learning process. I shall repeat, repeat, and repeat until the American people begin to understand what it is that we are driving at when we oppose the AID program.

I stated earlier this afternoon that I am against loans of three-fourths of 1 percent interest, 10 years' grace, 40 to 50 years to repay, and repayable in soft currency. That is plain deception.

The American people are fed semantic "hokum." But I would vote more money for hard loans and for loans that go to projects that we have checked. I am not going to leave it to the AID officials to take a total sum of money and spend it in their wisdom for a project.

It is time to put a control on that kind of program—the same kind of control that the Senator from Ohio [Mr. LAUSCHE], and the senior Senator from Oregon have to measure up to, and rightly so, when we seek to obtain loans or development grants for projects in our State.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. LAUSCHE. I heard the Senator say that we have made loans most inadvisedly in areas where they would not be of any help to us. My philosophy has been that we cannot discontinue the AID program.

However, we can reform the policies under which the program has been administered. From my own standpoint, I have always felt that we never ought to deal with any country that wishes to auction off its fidelity to the highest bidder. There have been too many instances in which countries have said, "You will have to pay us more than Red Russia. Unless you do, we shall go to Red Russia."

To those nations I would say, "Go." They will come back quickly, and with the knowledge that what we do is intended sincerely to be of help and not to be a militaristic exploitation such as Red Russia is practicing upon them.

Mr. MORSE. The Senator from Ohio knows that in the Foreign Relations Committee, on which he and I have had the privilege of serving, I have supported him on that stand. When he has said "Go," I have added the phrase, "And Godspeed."

Mr. LAUSCHE. The Senator is correct. Too frequently we give aid to our enemies. We are giving aid to countries whose leaders have publicly declared their affection and support for Red Russia.

Mr. MORSE. Pakistan.

Mr. LAUSCHE. Zanzibar.

Mr. MORSE. Sukarno.

Mr. LAUSCHE. Sukarno; Bella in Algeria and Jagan in British New Guiana.

Mr. MORSE. And Nasser.

Mr. LAUSCHE. I do not believe that we are serving the interest of our country by giving aid to those who love our enemies and frequently reveal their distrust and hatred for us.

Mr. MORSE. What they love about us is our dollars.

Mr. LAUSCHE. Frequently we hear them say, when they are supposedly speaking without being heard and observed, "Beware of the capitalists of the West." They do not mention the United States, but that is the term of opprobrium that they apply to us, indicating their affection for our enemy and not for our country.

Mr. MORSE. I thank the Senator.

Mr. LAUSCHE. I thank the Senator from Oregon very much for yielding to me.

Mr. MORSE. Continuing the discussion of the Comptroller General's report on Turkey, we read that the Turkish Government operates about half of the country's industrial production, including enterprises in the fields of manufacturing, mining, trading, banking, transportation, and public utilities. They have steadily lost money due to "poor organization, inefficient operations, and poor pricing policies."

The report states:

Despite these basic management deficiencies, the United States continued to provide substantial sums of direct and indirect dollar aid and counterpart and U.S.-owned local currency to some state enterprises. This aid has contributed little toward improving operations of the enterprises, relieving their drain on the Turkish economy, and thereby reducing the need for outside aid.

Turkey's failure to correct the worst of these conditions has led the consortium to curtail its scheduled aid. But instead of doing the same, the AID presentation indicates that the United States is going to increase its aid substantially over last year.

The others who belong to the consortium have become so fed up with Turkey's failure to deliver that they have announced they will reduce their assistance, but not the United States. We are going to increase ours. When is this mulcting of the American taxpayer going to stop? I say to the American taxpayers, "It will stop when you, the taxpayers, begin to recognize that your most important business happens to be your own government. When you begin to exercise your responsibility of citizen-statesmanship, the politicians will stop it, and not until then."

That is why this Senator, difficult as it has been over the years to face the kind of opposition that following this minority role imposes upon him, has been willing to stand up and challenge administration after administration. To date no administration has been able to answer the facts that we have presented in opposition to the shocking, wasteful and inefficient foreign aid program that has come to characterize our whole foreign aid process.

DEBT DEFAULT BY TURKEY

Mr. President, the GAO report also found that Turkey was by 1957 in arrears on three loans, with the arrearages amounting to $6.4 million. In May 1959, AID deferred for periods ranging from 28 to 31 years all principal and interest payments originally due between 1956 and 1965.

When they did it, they did it with American taxpayer dollars. I do not intend to continue to vest that kind of bureaucratic power in a group of little bureaucrats down in Foggy Bottom.

The Government of Turkey is to make the three interest and principal payments due between 1966 and the original maturity dates pursuant to the original repayment schedule, and make the deferred payments after the original maturity dates. But interest will not be charged on the principal and interest payments that were deferred, which represents another grant of $31 million to Turkey.

The dreary details of American aid for importation of station wagons, for a meatpacking plant that is virtually unused, for modernization of the state-owned bituminous coal industry that continues to sink deeper into indebtedness, and for grain storage silos whose peak loads averaged less than 40 percent of capacity are included in this GAO report. It should be read by every citizen who still believes that the foreign aid program is designed to help the world's unfortunate.

Much of it helps the politicians, the in-crowd, the tyrants, the dictators that control these countries. It lines their pockets, and a little gets down to the mass of the people.

The report states:

The Agency (AID) advised us that it had encouraged Turkey to adopt necessary reform measures for management of its fiscal and economic affairs. However, although actions taken by the Government of Turkey were not satisfactory, the Agency decided to not insist on a greater measure of cooperation because of foreign policy considerations.

How do Senators like it? They know what he has said is true. AID gave the Turkish Government a slap on the wrist and said, "Now, you must do better. You ought to adopt some reforms." But when the reforms were not adopted, AID continued to pour the taxpayers' money in for what it considered to be foreign policy considerations.

What foreign policy considerations? There are no foreign policy considerations that can justify this kind of waste. It is Turkey that is dependent upon the United States, not the United States that is dependent upon Turkey. If war broke out between Russia and Turkey, we all know that our mutual security obligations would move this country in, and we know what kind of war it would be. It would be a nuclear war, and quickly. Turkey should be required to come in as an applicant for aid willing to meet reasonable conditions we impose for the granting of aid. I propose to give the Senate an opportunity, before the week is over, to vote on just such an amendment.

Primary in these considerations are the extensive intelligence and military installations operated in Turkey by thousands of American personnel. They largely explain why protests about Turkey's stagnating economy and misuse of aid funds are brushed aside with references to Turkey's being "vital to American security."

Our aid to Pakistan is in very much the same category, and we seem to be heading in the same direction with India. The "forward defense" policy of aid is not one of promoting economic freedom of choice at all.

What is happening now in Laos and Vietnam is typical of what would happen in each of these peripheral countries should it come under any pressure from within or without. The American aid that we send them now would be only a drop in the bucket of what it would take to prop them up under conditions of war or near war.

Program loans to these countries are little better than outright grants and should be stopped.

TECHNICAL COOPERATION

For many years, this descendant of the point 4 program has been an almost unassailable segment of the foreign aid program. But a close examination of its current projects, and those in the comparable category in the Alliance for Progress, indicates that technical cooperation is moving far away from the original point 4. Today, a major function of technical cooperation is the training of local police forces in internal security matters. These programs are zealously pursued by American authorities even in countries like Panama and Indonesia, where their uses are more likely to be anti-American or anti-British instead of anti-Communist.

In short, these programs are being conducted in the countries where we have little or no control over the purposes to which they will be put. They include the recent military junta-ruled countries of the Dominican Republic, Honduras, Ecuador, and Guatemala. Just what we think we can teach the Dominican national police that they did not learn for themselves in Trujillo's day is hard to guess. But we are trying.

We are undertaking similar endeavors in Somalia, Chad, Tunisia, the Central African Republic, Dahomey, the Ivory Coast, the Malagasy Republic, Niger, Upper Volta, the Congo, and Ethiopia in Africa. The programs are equally widespread throughout Latin America and Asia.

In few of these countries is there the institutional framework that would make them a wise undertaking. All we are doing for most of them is making their police states a little more efficient—maybe. But we have not the slightest idea to what use this efficiency will be put, and whether it will advance any interest of the United States.

In many ways, this kind of technical assistance is the most dangerous aid program ever undertaken by the United States. Any reduction Congress makes in it will be a step in the right direction.

The aid presentation for technical assistance gives no real reason for the $9 million increase it plans over fiscal 1964. AID declares that it is moving the capital projects that have been under technical cooperation into the development loan category. But if so, what does it plan to do with the money saved, plus the increase over last year? Research is the only explanation for this in the presentation.

If one ever had a semantic gimmick, if one ever had an escape hatch, if one ever saw a bureaucratic exit sign, it is the word "research." Whenever we go after them and ask them what they are going to do with the money they save, they say they are going to research something. When we cross-examine them as to what the research is to be, they hedge. It is difficult to get anything from them. They do not want to give up the money. They do not want to save money. They want to use it to

build another wing in their bureaucratic building.

We shall never accomplish foreign aid reforms until the Congress does it. Based upon years of experience, I can say there is no such intention on their part. There is no basis for any assumption that we can rely upon the State Department or the AID officials or the Pentagon to save any money or to reform the waste and efficiency that characterize and honeycomb the foreign aid program.

Many of the other projects undertaken in the name of technical cooperation and assistance have a similar flavor of political and military intrigue. In the Near East and Asia, many of the transportation projects seem to be directed at military rather than commercial use. In Afghanistan, for example, we have a total program of $10 million worth of continuing projects. One of them is to plan a highway to the Iranian border. Its justification is that it would give Afghanistan an outlet in the West. But we had already helped her build a highway to the Pakistani border for the same purpose; then there were troubles between Afghanistan and Pakistan, causing the border to be closed, off and on.

It seems a great hypocrisy to call this "technical cooperation," when it does not appear that Afghanistan is as much interested in having an outlet to the West as we are in insisting that she have one, no matter how much it costs the American taxpayers.

Cyprus is another question mark. Cyprus is down for many hundreds of thousands of continuing projects. What has happened to them during the civil war? No one will ever know from reading the presentation.

Turkey, of course, is the most shameful failure of all aid recipients, not only in the technical aid but in all categories of aid. In technical assistance, many of the programs we are maintaining in Turkey are designed to help Turkey run her state enterprises. Since it is these state enterprises that are largely responsible for the stagnation of her economy, and the responsibility for their continuation is a political rather than a technical problem, it is hard to see how the United States is helping to improve her economic situation by aiding in the perpetuation of these enterprises. Another way of putting it is that we are training Turks in socialism, and creating more bureaucrats who will have to be employed in these establishments already suffering from bloated payrolls.

As for Thailand, one cannot read the continuing projects there without concluding that they are laying the foundation for an American military operation in Thailand. The so-called transportation projects include a four-lane highway from the country's main international airport to Bangkok. From Bangkok, a two-lane highway is to continue to the northeast area where the border with Laos is threatened. Much the same picture is seen in the projects for aeronautical ground services which are "intended to make several airfields fit for military use, as well as civilian." It is hard to see where any civilian use in Thailand could justify "several" airfields of this nature.

In sum, showing people how to live better is on its way to becoming only an adjunct to the technical cooperation program, as it is to the rest of foreign aid. It is the Peace Corps that is making the greatest contribution to this cause.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

In my opinion, the funds authorized for this activity rank high among the most worthwhile expenditures made in the name of foreign aid. Mr. President, I shall vote for more money, not less money, for that program. That program aids people. Indeed, I have made a matter of record my willingness to support a larger sum for these purposes than the administration requested.

A number of my committee colleagues and I expressed great interest during the hearings in providing assistance to Mexico City College now renamed the University of the Americas. This eminent institution certainly seems to qualify for help under the aid category of American-sponsored schools. Unfortunately, the university had not submitted its detailed application by the time of committee action on the bill. I believe it likely that the majority of members would have voted to increase the authorization for this section had they been in receipt of data from the university which seemed to require such action.

However, the committee was assured by the Administrator and other AID officials that the university's application, when forthcoming, would be reviewed most sympathetically. We were also assured that the funds requested for this general purpose would be sufficient to permit assistance to be granted to the University of the Americas in fiscal 1965. I take this occasion to express my intention of seeing to it that this project is not lost in the bureaucratic shuffle.

THE ALLIANCE FOR PROGRESS

As chairman of the Subcommittee on American Republic Affairs, I yield to no one in my deep interest in the countries of Latin America and their progress with economic and social reforms in the context of democratic political institutions and practices. I would certainly subscribe to the words of the committee report:

> Dramatic breakthroughs and economic takeoffs are unlikely in the absence of a basic social and political reorientation in most of Latin America.

But sadly inadequate emphasis has been given to the fact that U.S. policy, rather than American public money, is the instrument through which we can best help our Latin American friends to help themselves.

It is a truism that a change in the price of a basic Latin American export commodity, such as coffee, by a few pennies, or a reversal of capital flight from that area, would have many times the effect of all the financial aid which the United States could possibly make available. What is irreplaceable, on the other hand, is a U.S. policy which actively encourages democratic constitutional means of governing and of tackling the fearsome social and economic problems of the Latin American countries. Regretfully, one cannot avoid the conclusion that such a policy still is not sufficiently in evidence in Latin America.

Time and again we have reacted to the military overthrow of a constitutional regime by temporarily withholding recognition and foreign aid funds, and then by granting them without any reliable assurances that the new rulers are moving to reestablish constitutional and popular government. It is not merely that such practices evoke justified criticism from all parties involved; they serve to undermine our entire overall policy toward Latin America. Until the United States unequivocally alines itself with those democratic elements which are trying to bring about peaceful revolution in the social and economic spheres, the Alliance for Progress will be a pious exhortation rather than an instrument for dramatic change.

Our "aid as usual" policy toward the Dominican Republic, Guatemala, Honduras, and Ecuador is the greatest single threat today to the success of the Alliance.

At any time when the Dominican Republic, Guatemala, Honduras, and Ecuador wish to set up a constitutional system of government, at any time they wish to return to democratic processes, at any time they wish to announce specific election dates for the holding of democratic elections, the senior Senator from Oregon will start urging that we give some attention to development loans for those countries; but not until then.

Because it is clear that money alone is not the key to the Alliance for Progress, there is no reason why foreign aid requests for Latin America should not be scrutinized—and reduced when necessary—on the same basis as AID programs in other world areas. Last year's appropriations for the Alliance totaled $455 million, but the administration has requested $550 million under that heading for fiscal year 1965. Although the overall foreign aid appropriation should be gradually reduced each year, this should not involve a rigid approach which would inevitably cut each and every component of the act. Therefore, I am recommending $465 million for the Alliance in the 1965 authorization, or an increase of $10 million over last year. Of this total, $80 million would be for grants—the same figure as in 1964—and $385 million would be devoted to development lending.

I would be willing to add to this amount whatever millions of dollars Congress would be willing to strike from the military aid program to Latin America. A good many millions of dollars should be stricken from it. I would be willing to add to the development loan program the savings which Congress wishes to make on military aid payments or loans to Latin America.

My reasons for cutting $5 million from the administration request for Alliance grants stem from a painstaking examination of the presentation material. On the basis of listing projects which seemed inadequately justified, unduly extended—often for 15 or 20 years—or otherwise of dubious value, I might have

sought a precise cut of $8,243,000 had I not again preferred to err on the side of caution.

I would return that cut on the basis of the submission on the part of the AID officials of the type of hard money loans that I referred to earlier in my speech, related to specific projects, to be drawn upon as the projects are built.

In two major countries we make technical assistance grants to encourage the production of export items which are surplus in the United States. In a number of cases there are projects which involve the United States in paying local expenses which could be met by the Latin American country concerned. In other cases the United States is making grants of both heavy and light equipment which properly should be purchased by the local government with the proceeds of a development loan. The ill-advisability of training and equipping of police forces in totalitarian states is discussed in the section on technical cooperation. It is for these reasons that it seems correct to hold grants at last year's level while providing $10 million more for lending.

There should be no confusion about my position regarding technical assistance for Latin America and other regions of the world. So long as this cooperation is extended in terms of working with fellow human beings through education and training in productive activities, it is of supreme value and it is self-justifying. But this fine program must be kept separate from the provision of capital equipment, other material, and commodities. Development loans obviously are required in order to make such provision, but we must also make it as certain as possible that loans are confined to those purposes, and not devoted to budgetary and balance-of-payments support. The comments made elsewhere in these individual views concerning the Development Loan Fund are equally valid in the Latin American context.

One further point about the Alliance for Progress. There is no activity in Latin America which is more important in terms of reaching the people than the construction of decent, low-cost housing. Yet all indications are that there has been too little movement in this sphere, despite the special authority in the Foreign Assistance Act. I strongly urge far greater attention to this subject by AID officials on an immediate basis.

SUPPORTING ASSISTANCE

It is inexcusable that the administration request for supporting assistance funds should be raised over the amount available last year, even before the special request for additional money for Vietnam was sent to Congress. The Mansfield amendment of 1959 called for an eventual phasing out of these financial grants. Yet $335 million was initially requested, compared to $330 million appropriated last year. On top of this, $70 million more was later requested for Vietnam, bringing the total to $405 million.

Congress has suffered in the past from the shifting by AID of supporting aid funds away from the purposes presented in the hearings into other uses. If past experience is any guide, it is more than likely that much of the supporting assistance requested for Vietnam will be used elsewhere.

The $30.3 million reduction in this category by the full Committee is not enough. Three countries in Latin America, for example, are scheduled to receive supporting assistance. One of them is Haiti. Although the program being supported is malaria eradication, our program is in addition to UNICEF and Pan American Health Organization programs in Haiti for the same purpose, to which we also contribute. The brutality of the Duvalier dictatorship in Haiti is not exceeded even in Castro's Cuba. There is no more reason for the United States to maintain a unilateral health program in Haiti than in Cuba, or for that matter, in Communist China.

Supporting assistance aid to Bolivia simply undercuts the requirements of the Alliance for Progress and underwrites the incredible mismanagement of the government-owned tin mines. As with Turkey, the excuse for this aid is the old reliable Communist bogeyman, and the result is the subsidizing by American taxpayers not only of Socialist enterprises but of outrageously inefficient Socialist enterprises. In the case of Bolivia, we have been supporting these tin mines with their grossly padded payrolls since 1954 and there is no end in sight so long as the word is out that there is more supporting assistance coming from the United States. Why should Bolivia change so long as she can scare money out of us?

Jordan and Yemen will account for another large chunk of supporting assistance. Despite the pretentious and glowing references to Jordan's "progressive" government in the presentation, there are no plans for loan aid to Jordan in this year's budget, and one of the three remaining capital projects under technical cooperation is also in Jordan. Nothing but grant money is planned for Jordan this year because with her present policies she is an economic impossibility. The presentation uses the phrase: "Eventual viability may be more securely rooted" in Jordan. That is the best outlook.

Much of Jordan's poor outlook is directly due to her expenditure of $60 million for defense. Offense is probably the better word. Jordan's army is concerned with nothing in the world but Israel, and King Hussein has made it quite clear that he is ready to move against Israel if the Jordan River project goes through. If he does, it will be only because the United States has subsidized his military establishment since 1957 through supporting assistance grants.

Jordan is not of interest exclusively to the United States. If she needs subsidization to exist, in the same way the Congo does, she should become an international ward, supported by some kind of consortium. That might also reduce the military threat she poses to Israel. But so long as the United States furnishes her this wad of money as a military subsidy, this will never happen. The contributions to her budget from Britain are very small, compared to ours, and Jordan's other sources of aid are loans, not grants. At the rate we are going in Jordan, it will be the American taxpayers who will repay these loans. The budget support to Jordan should be cut by several million this year, so a start can be made toward a longrun solution to Jordan's problems.

In Yemen, we are giving supporting assistance to a government that is little more than a creature of Nasser's, and that is still fighting against a royal government that is in turn backed by Britain.

Unilateral American aid to Yemen is in the same class with aid to Sukarno. Worse yet, a good half of it is for highway construction that is of far more military significance to Yemen now than commercial significance. This aid is nothing but an attempt at political intrigue. It should be stopped until the civil war there is over.

In the Far East, South Korea, Laos, Thailand, and South Vietnam are scheduled to receive large amounts of supporting assistance. Although much is claimed in the presentation for South Korea's economic prospects, no reason is given why supporting assistance to her is being increased over last year. It is all nonproject aid, and although the presentation indicates that it will be released only in increments as the South Korean Government makes good on its promises of economic reform, I see no reason why more should be provided than was provided last year.

Moreover, the only other non-American aid to Korea is taking the form of loans. As with Jordan, the United States will end up repaying these loans unless we develop a more effective program in Korea.

The optimistic note in the presentation book about Korea's future depends heavily upon its renewing aid and trade ties with Japan. The people of Korea, including the young people who rioted recently against this policy, should understand that the United States is not going to underwrite indefinitely their emotional aversion to Japan, however real it may be. We do underwrite it when we raise their budget support considerably over last year.

This large sum for Korea is also a result of the 600,000-man Korean Army we are supporting, in addition to the 50,000 American troops in Korea. This compares with figures I have seen that the North Korean Army is about 400,000. No good reason has ever been offered for maintaining this vast preponderance of military force in South Korea. The latter's army should be brought down at least to 500,000 and preferably to 400,000.

The levels of supporting assistance to Laos and South Vietnam are indicative of what we face in every other underdeveloped country where we are maintaining large military aid programs. The presentation books stress over and over again the meager economic resources of these countries and the high concentration of military activity. The result is that the United States finances a Western-style war effort, in feudal countries. It costs us a yearly average of about $40 million in Laos, a country of 2.5 million people, exclusive of military aid. In South Vietnam, it has run about $130

million for economic aid, with this year's level much higher, in a country of 15 million. In both countries, much of this money goes for the enrichment of ruling classes and factions that we hire to fight communism.

Anyone who thinks the United States gains something by maintaining these indigenous armies in underdeveloped countries around the world should figure out first how much we would have to subsidize any one of them if it became involved in any kind of a war.

The figures for Korea, Laos, and Vietnam should be a lesson to us, because in addition to direct action by the U.S. Armed Forces, it would cost us billions of dollars to subsidize a war effort in such countries as Turkey, Greece, Iran, Taiwan, or any of the others whose military establishments are creatures of the United States.

CONTINGENCY FUND

Once again, the uses of the contingency fund were advertised as being for unforeseen emergencies. But one of the largest transfers out of contingency funds was $50 million into development loans to make a "program loan" to Brazil. Other uses of the contingency fund have been $38 million for Vietnam—in addition to its programed funds and the special request of $125 million—and a transfer of $75 million into military assistance. All those obligations were entered into only in the 2 months before Congress acted on the foreign aid bill.

Use of the contingency fund for Brazil's balance-of-payments problem continues to typify the abuses of this fund. This is neither an unforeseen nor an emergency situation. The contingency fund only provides the loophole whereby Brazil evades the stipulations of the Alliance for Progress.

The use of the fund alone justifies a $50 million cut.

MILITARY ASSISTANCE

There is no part of foreign aid on which the Congress has received a worse flimflam from the executive branch than on military assistance.

One of the major criticisms leveled by both the Clay Committee and the Senate Foreign Relations Committee last year was that we had too many token military aid programs that seemed to be designed merely to give the American military a presence in most countries outside the Communist bloc.

Figures prepared for the hearings at my request indicate that the total number of countries receiving military grant aid in fiscal 1965 will be 55, compared to 63 in fiscal 1964. However, the March 1964 publication from the Defense Department called "Military Assistance Facts" includes an estimate that 62 countries will receive grant military aid in fiscal 1965, and that 10 more countries will acquire American arms through direct or credit purchases.

If there is in fact any reduction planned in the total number of countries receiving grant military aid next year, it does not show up in the request for $1,055 million. These is no explanation of why we are sending the same total aid to fewer countries, if that is in fact what we are doing.

On March 6 of this year, the General Accounting Office issued another of its periodic reports that have consistently found extensive waste in military aid. This one reported that the Defense Department has continued to maintain large military aid staffs in the countries of Western Europe even though military aid to them is being phased out.

The report also stated that these military aid missions continue to prepare military aid plans even though no more grant aid is supposed to go to these countries.

To quote from the GAO report:

We found that in 1962, when the value of grant aid deliveries to eight of the countries covered by our review was $190 million, the Military Assistance Advisory Groups in these countries were staffed in total with approximately 345 U.S. personnel or 56 percent of the level maintained to administer programs during the peak year of 1953, when the value of grant aid deliveries was $2.3 billion. * * *

The failure to eliminate or reduce the Military Assistance Advisory Groups' functions and to make appropriate reduction in the number of personnel assigned, as the military assistance programs were accomplished or reduced, has resulted in the unnecessary expenditure of millions of dollars overseas; the ineffective utilization of highly skilled, highly trained personnel; and the continued but unnecessary support overseas of the dependents of many Military Assistance Advisory Group personnel. * * * The Department of Defense furnished us with comments in response to our findings and proposals for corrective action by letter dated July 25, 1963, classified secret. The Department of Defense has informed us that a worldwide review is now being made of the missions and functions of Military Assistance Advisory Groups to determine the feasibility of reducing U.S. representation abroad. We believe that immediate personnel reductions can be made by eliminating or reducing functions now being performed by these groups. We intend to make a followup review at a later date, and at that time we will examine into the adequacy of the Department of Defense's action to reduce or eliminate the staffs of the Military Assistance Advisory Groups in the countries involved. * * *

Although virtually no additional grant aid is to be provided to the eight Western European countries, we were advised by the MAAG's that they are continuing to prepare military assistance plans. In France, the plans were being prepared in the same detail and on the same basis as though grant aid were to continue, whereas, in other countries the plans were being updated and revisions were being made as necessary.

Secretary McNamara, in his testimony to the Foreign Relations Committee, pointed out that only Denmark and Norway in Western Europe are receiving grant military aid in fiscal 1965, and that no new commitments are being made in Europe. Yet the military aid budget does not reflect any curtailment anywhere of small aid programs or of oversea missions.

A real deception of Congress took place in connection with Vietnam. The original 1965 budget reduced military aid to South Vietnam considerably below the level of fiscal 1964, and parcelled it out to other countries. Then the President sent a special message to Congress claiming that conditions in Vietnam were so critical that an additional $55 million for military aid was needed to meet that emergency. The addition only brings South Vietnam's military aid back to last year's level.

Those of us who have been through 15 years and more of that kind of shell game from various administrators can no longer take at face value anything about aid that is told us by either military or civilian officials. In the case of this "bare bones" request, the funds available for military aid this year include not only the $1,055 million in new appropriations, but $25 million which was unspent last year and for which reappropriation is requested, $135 million which is expected to be recouped from cancellations, price changes, and various slippages, plus a continuing standby authority to use $300 million in Defense Department stocks when the President finds it "vital to the security of the United States." In recent weeks, $75 million in contingency funds has also been used for military assistance.

This means there is really available not $1,055 million but $1,515 million for military assistance, plus the contingency funds. It is why an eventual cut of $500 million in military aid would be one of the soundest steps that could be taken toward a sound and useful long-range foreign aid program.

It is becoming clear from the testimony Congress receives year in and year out that the Pentagon has come to consider military aid a permanent program. Each year, the requests are justified with accounts of Greece or Pakistan or some other country using obsolete equipment that must be replaced by the United States to keep it current with Bulgaria in the case of Greece, and to keep current with India, in the case of Pakistan.

It is about time that the Pentagon were required to produce some long-range plans for what it expects of military aid in the future. We should find out whether these countries are going to have their obsolete equipment replaced by us forever, and by whose standards it is obsolete. For example, a perennial favorite is the claim that countries in the Far East need new jet planes. But the only conceivable enemy against which we are arming them is Communist China, whose jet aircraft from the Soviet Union was cut off several years ago and who does not produce its own jets. Published estimates put the Chinese jets at the period of about 1956.

There is no reason for upgrading the level of any military forces in the Far East above that of Communist China, whose air, naval, and mobile capability is very low.

Future Pentagon estimates for military aid should also include an estimate of how much it would cost the United States to finance a war effort in each country receiving military assistance. We are told, for example, that Taiwan no longer receives huge sums of economic aid, but she continues to receive large quantities of military aid. All this means is that Taiwan still cannot support a large peacetime military establishment. How much would it cost the United States to underwrite a war waged by Taiwan?

It continues to be my opinion that any military aid given to a country in peacetime is only a small fraction of what it would cost the United States to support that country in time of war, if indeed, we decided to support it at all. Such nations are not allies against communism; they are only dependencies. It is worst of all to continue giving large-scale, Western-style military aid to nations that have no prospect of being able to support a modern war out of their own economies in the foreseeable future.

It is not these indigenous forces that deter China or the Soviet Union; it is the likelihood of American response to an invasion of any one of them.

We are having a hard enough time trying to advise the South Vietnamese how to fight, after giving them the most modern equipment, without committing ourselves to the same undertaking with the several million foreign soldiers we keep under arms under the pretext that they are contributing to free world defenses.

The most astonishing testimony of all has been that this amount of the request is needed to upgrade the armed forces of Greece and Turkey. Why we should advertise that we want to do even more than we have in the past to prepare them to fight each other, I cannot imagine.

A 20-percent reduction in the military aid for both Greece and Turkey, and for Pakistan and India, would do more to end the quarrels over Cyprus and Kashmir than all the high level conferences held to date. The spectacle of stoking their war machines while we beg them to be peaceful is as much a reflection upon Congress as upon the executive branch.

CRITICAL REPORTS FROM GENERAL ACCOUNTING OFFICE CONTINUE

Reports by the U.S. Comptroller General criticizing the aid program in Turkey and the size of military aid missions in Western Europe have already been cited. But there are other reports, too. They continue year in and year out to cite examples of wasted money in the foreign aid program. These reports are in no sense a comprehensive review of aid; they are only reports of practices uncovered in spot checks.

On March 5, 1964, the Comptroller General summarized as follows a report on "Certain Economic Development Projects for Assistance to Central Treaty Organization":

Because the availability of local resources was not adequately explored, grant and loan funds aggregating more than $8 million were used for purposes other than those for which they were initially obligated and for financing imports which were not needed or could be produced in the recipient country. Furthermore, the economic feasibility of the three projects for which the funds were obligated was dubious and, as conditions existed at the time of our review, there was no assurance that two of the three projects involved would ever be completed.

In light of the foregoing findings, we suggested certain basic policy guides for consideration by the Agency. The Agency expressed agreement with the principles of our proposals but claimed that the origin and objectives of the projects were primarily political and that its decisions and actions in the implementation of the projects were concerned principally with the achievement of political success.

The annual program presentations to the Congress on three of the projects did not fully disclose the unusual circumstances and the problems which have attended the projects. Moreover, the presentations were incomplete and inaccurate and indicated that the aid provided to these projects was more effective than was actually the case. We are repeating our recommendation made in previous similar instances, that the Agency make more informative, clear, and accurate disclosure of significant data in annual program presentations.

On March 12, 1964, a report was sent to Congress on "Unnecessary or Premature Procurement of Sidewinder Missile Training Systems and Their Delivery to Foreign Countries Under the Military Assistance Program." It said in part:

Tow target systems costing in excess of $1 million, designed for training pilots in the use of Sidewinder missiles, were unnecessarily or prematurely delivered to 11 foreign countries because responsible Department of Defense agencies had not given consideration to the countries' inability or unwillingness to use the systems. Six countries were unwilling to use the tow target systems for reasons of safety and cost, and five countries did not have the equipment, missiles, or test programs to enable them to use the tow targets at the time of delivery. An additional $240,000 had been expended by the Air Force for tow targets for which no firm requirement existed and which were never delivered under the military assistance program. These targets were still in storage at the time of our review.

In commenting on our findings and proposals, the Department of the Air Force advised us that action had already been taken or was underway to recover the excess equipment in six countries and that no immediate action was proposed in five countries because utilization had been planned.

With regard to the procurement of unneeded tow targets that were never delivered to recipient countries and are now in storage, inasmuch as the Department of the Air Force failed to comment on our finding, we are recommending that the Secretary of Defense require that an appropriate inquiry be made to determine the reasons for the overprocurement and which persons were responsible so that appropriate corrective and disciplinary measures may be taken.

Our reports on the military assistance program over the past 7 years have shown that a basic deficiency in the administration of the program has been the failure of the Department of Defense to limit material deliveries in accordance with the capability of the recipient countries to maintain and utilize equipment even though this is required by the Department's own regulations. Accordingly, we have recommended to the Secretary of Defense that these regulations be strengthened by requiring that future deliveries of major end items included in approved military assistance programs be made only upon a written certification by the Chief of the Military Assistance Advisory Group based on a specific determination that the recipient country has the necessary capability to effectively absorb, maintain, and utilize the item to be delivered.

The Department of Defense has disagreed with our recommendations and has maintained that, under current directives, the Military Assistance Advisory Group Chiefs have the continuing responsibility for screening undelivered military assistance program materiel and for taking timely cancellation or deferral action where delivery of materiel is not consistent with host country capability to absorb, maintain, and utilize the equipment. The Department of Defense maintained also that certification by the Military Assistance Advisory Group Chief would serve no significant useful purpose.

We believe that such a certification requirement would encourage a current reappraisal of the need for the equipment and the country's capability to maintain and utilize it before it is delivered and would help to prevent future deliveries of military assistance program materiel in excess of the country's capability to effectively absorb, maintain, and utilize the items delivered. Military assistance program materiel has continued to be delivered for a number of years to countries which cannot effectively absorb, maintain, or utilize the equipment and has been the subject of numerous reports to the Congress and the Secretary of Defense, even though during that time the Military Assistance Advisory Groups have been charged with the responsibility of preventing this from occurring. We therefore believe that affirmative action by the Military Assistance Advisory Group Chief before delivery should be required.

In view of the position of the Department of Defense with respect to this matter, the Congress may wish to consider the enactment of legislation requiring additional safeguards before delivery of military assistance program materiel. We shall be pleased to assist in drafting such legislation if desired.

Certainly the inclusion of legislation along this line must be considered at the next drafting of foreign aid legislation.

On June 17, 1964, a report was received on "Ineffective Administration of U.S. Assistance to Children's Hospital in Poland." It said in summary:

Our examination into the U.S. assistance to a children's hospital in Poland, for which about $2.2 million in dollars and the equivalent of $8.3 million in U.S.-owned Polish currency has been appropriated, disclosed an almost complete lack of U.S. Government surveillance of project activities. Consequently, U.S. officials were not aware of certain unfavorable financial and operational factors attending this project.

We found that cost estimates submitted to the Agency for International Development did not include supporting details and that the Agency had not made a proper review and evaluation of the estimates. We found also that (1) the Agency disbursed more funds to the private sponsor of the hospital than were provided for in the original grant agreement, (2) the sponsor had incurred costs in excess of the maximum amount provided for in the original grant agreement and in excess of the erroneous amount disbursed by the Agency, and (3) the sponsor continued to incur costs even though all available funds were exhausted. We found further that the hospital may not be adequately staffed for effective operation at the time of its completion. We believe that this loose administration was caused in good part by a failure to define Agency responsibility.

The Agency made a commitment in August 1961 to finance the local currency costs of constructing the hospital on the condition that the sponsor would attempt to raise from private contributions in the United States the dollar funds required for certain material and equipment not available in Poland. The Agency made this commitment in the face of overwhelming evidence at the time that the sponsor would not be able to raise the dollar funds and that U.S. Government dollar financing would ultimately be necessary to complete the hospital. As far as we could determine, the Agency did not present this matter for the consideration of the Congress prior to making the commitment.

At the time of our review, construction was well underway with Polish currency

made available by the Agency but the sponsor had raised only a fraction of the dollar requirement and reported that no prospect existed for raising the dollars. Consequently, in order to complete the hospital, the Agency requested $2.2 million in dollars for the hospital in its fiscal year 1964 budget presentation to the Congress. The request was made, notwithstanding the then existing prohibition against giving dollar aid to Communist countries. The funds were appropriated in the Foreign Aid and Related Agencies Appropriation Act, 1964, approved January 6, 1964.

In requesting funds for the hospital in its budget presentations to the Congress for fiscal years 1963 and 1964, the Agency did not disclose the unusual circumstances and problems which have attended this project, as described in our report, and furnished incomplete and inaccurate information regarding some of the financial and operational aspects of the project. Also, because the dollars were not available when needed, completion of the hospital will undoubtedly be delayed considerably beyond its scheduled date.

The comments of the Agency for International Development, concurred in by the Department of State, reflected general disagreement with our findings and conclusions. After an analysis of these comments and further review of files and records, however, we concluded that the Agency had presented no information which would cause a significant change in our basic report with respect to our presentation of the facts or the conclusions drawn.

We believe that, in addition to the corrective actions cited in the report, it is incumbent on the Agency for International Development to take steps to assure that arrangements have been worked out for adequate staffing of the hospital. Also, we are again recommending that future annual foreign aid budget presentations to the Congress describe projects and other significant activities in such clarity and specifics as will facilitate a full and correct understanding by the Congress of their scope, status, and administration.

On June 29, Congress received a report on "Deficiences in Administration of the Earthquake Reconstruction and Rehabilitation Program for Chile." It said in summary:

On the basis of our review of projects financed under the reconstruction and rehabilitation program in Chile following the earthquakes in May 1960, we believe that serious problems were encountered because the Agency for International Development did not adhere to accepted standards of programing and project planning for the large number of projects included in such a vast program.

For the most part, no meaningful review was made of the Government of Chile's plans, specifications, and cost estimates for the projects undertaken. The Agency did not adjust the size and makeup of its mission staff to meet the tremendous expansion of assistance to Chile under the earthquake program. Also, appropriate consideration was not given to the abilities of the various agencies of the Government of Chile to carry out their part of the program. As a result, serious cost overruns and delays occurred in many projects and a number of projects had not been completed, or in some cases had not been started, some 3 years after the earthquakes and substantially after their estimated completion dates.

For a substantial part of calendar year 1962, the maximum rate of exchange was not obtained for dollars disbursed under the earthquake reconstruction program. The resulting loss to the earthquake program was estimated to be in excess of 26 million Chilean escudos, the equivalent of $13.8 million on a most conservative basis. As a practical matter, it can be said that earthquake reconstruction funds were used for a period of time to subsidize and help maintain the Chilean escudo at a rate that was known to be overvalued in relation to the dollar.

Despite the disbursement of large sums in calendar year 1961 and 1962 under this program, Chilean imports from the United States declined in those years, both in dollar value and in relation to total imports. Also, we noted that several earthquake reconstruction projects were adversely affected because of Chile's shortage of foreign exchange, despite the fact that $120 million was being supplied under the earthquake program, and the amount of foreign exchange required for earthquake projects was relatively minor. We are recommending that, in future agreements providing dollar financing for projects or programs consisting principally of local currency costs, adequate provision be made requiring the utilization of the dollars so provided for any direct foreign exchange costs of the specific projects or programs being financed.

To the extent deemed appropriate, the comments of the Agency on our findings have been included in this report. The Agency's comments on the exchange rate matter, together with our evaluation of such comments, are contained in a supplementary report which has been classified as "confidential."

In May, two more reports were received. They concerned waste in the military aid programs to Indonesia and Ethiopia, and both were marked "classified."

This year's reports on foreign aid are only typical of those Congress receives every year. The answer always comes back: "Some waste must be expected in a program of this size." But I do not know of any Federal program of any size where so much known waste of money continues with so little action being taken to stop it. So long as these critical reports on foreign aid come in from the General Accounting Office, I shall continue seeking to reduce and tighten the program.

CONCLUSION

On the basis of the foregoing discussion and other information which cannot be made public, I am recommending cuts totalling $466,700,000 less than the figures approved by the Committee on Foreign Relations. This would bring the overall foreign aid authorization to the $3 billion level of new money which was appropriated last year.

If this is a barebones request, then at least not a dollar should be asked for above what was asked for last year.

Also, when we have received promises that we would move toward reducing, year by year, instead of increasing, we ought, at least, not to vote for more money than was made available last year. This is not a barebones program at all. The administration is asking for more money than it got last year. There is a great deal of fat hanging on the so-called skeleton of this year's program.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the table giving the statistical details of my proposal.

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

	Appropriation, fiscal year 1964	Administration appropriation request, 1965	House appropriation bill	Senate Foreign Relations Committee	Reduction by Senate Committee from administration request	Recommended further cuts	Recommended Senate authorization
Pt. I. Economic:							
Ch. 2. Development assistance:							
Title I: Development loans	$687,300,000	$922,200,000	$782,200,000	(1)	----------	$140,000,000	$782,200,000
Title II:							
Technical cooperation, development grants	155,000,000	224,600,000	204,600,000	$215,000,000	$9,600,000	----------	215,000,000
American schools and hospitals	19,000,000	18,000,000	18,000,000	18,000,000	----------	----------	18,000,000
Title IV: Surveys of investment opportunities	(1)	2,100,000	2,100,000	2,000,000	100,000	----------	2,000,000
Title VI:							
Alliance for Progress loans	375,000,000	465,000,000	425,000,000	(1)	----------	80,000,000	385,000,000
Alliance for Progress grants	80,000,000	85,000,000	85,000,000	85,000,000	----------	5,000,000	80,000,000
Ch. 3. International organizations	116,000,000	134,400,000	134,272,400	134,400,000	----------	----------	184,400,000
Ch. 4. Supporting assistance	330,000,000	405,000,000	405,000,000	374,700,000	30,300,000	11,700,000	363,000,000
Ch. 5. Contingency fund	50,000,000	150,000,000	150,000,000	150,000,000	----------	50,000,000	100,000,000
Pt. II. Military	1,000,000,000	1,055,000,000	1,055,000,000	1,045,000,000	10,000,000	180,000,000	865,000,000
Pt. III. Administrative expenses:							
AID	50,000,000	52,500,000	52,500,000	52,500,000	----------	----------	52,500,000
State Department	2,700,000	2,900,000	2,900,000	(1)	----------	----------	2,900,000
Pt. IV. Other laws: Latin American development	135,000,000	----------	----------	----------	----------	----------	----------
Total	3,000,000,000	3,516,700,000	3,316,572,400	2,076,600,000	50,000,000	466,700,000	3,000,000,000

[1] Previously authorized.

Mr. MORSE. It will be noted that in virtually every category but military assistance my recommended figures exceed the amounts appropriated for fiscal year 1964. The fact of this excess should counter the tortuous argument for increases based on carryovers, deobligations, and so forth—an argument which plagues and distorts our debates on the subject of foreign aid each and every year.

Needless to say, I am convinced that any authorization for a foreign aid program of more than $3 billion is not in the national interest, and is actually inimical to the individual American taxpayer.

The foregoing explains the conclusion I set forth in my individual views on the bill as it came from the Foreign Relations Committee—that it has become one of the most stagnant, unproductive, and misrepresented of all Federal activities. It is stagnant because its objectives are still tied largely to American strategic interests of the 1950's; it is unproductive because much of it goes for uses that neither build nor develop; and it is misrepresented because in spite of all the official handwringing pleas that we help the underprivileged and deprived people of the world, not more than 40 percent of it goes for that purpose. Little of it actually ends by helping them.

The basis of my approach to foreign aid is that it must serve the interests of the United States. I believe in "strings" on aid. Congress may spend public money only for the general welfare of the United States, not for the general welfare of any other people, no matter how deserving they may be.

My difference with much of the program is over what really does serve the interests of the United States. I do not believe that aid extended for military reasons, security reasons, or for reasons of political intrigue serves our long-run interests, and this is a long-run program. Foreign aid should be primarily developmental and for specific developmental projects, with the short-run considerations very secondary, instead of the other way around.

Unless and until it is put on that basis, foreign aid will remain a dole, and its recipients will be either dependencies of the United States—like Vietnam—or they will take our military aid and then use it for their own national purposes which may be quite contrary to our own.

There is no longer any expectation that the administration will revamp foreign aid toward these ends. It is therefore up to Congress to do it.

Mr. President, when I say that it is up to Congress to do it, I mean it is up to the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs to assume major responsibility in bringing about changed policies in foreign aid. The committee report of last year promised it; the committee report of this year did not fulfill that promise. We cannot square the report of the Committee on Foreign Relations this year with the promises of last year. The committee has given us more of the same. The majority has passed the buck again. It will be from downtown, and not on Capitol Hill, that any reform will come, so far as this year's report is concerned; but we shall wait in vain if we wait for any reform in policy concerning foreign aid from anywhere downtown.

I said earlier in my speech that this is a legislative responsibility under our system of checks and balances. I do not like to stand on the floor of the Senate, year after year, and criticize the body of which I am a Member; but I have been doing so for several years, and I shall continue to do so until the Senate starts to assume its responsibility for a reform of foreign aid as a matter of policy. The Senate did start the job last year; but the Foreign Relations Committee has not advanced the work. It is up to the Senate itself to continue the job.

To the American people, I say: "You have a responsibility, as individual citizens, of making a study of exactly what the foreign aid policy of your Government is. I know that many of the facts will be kept from you under the secret label; but enough has already been made public by those of us who in the past several years have made the record each year as to the shortcomings of foreign policy. It is for you, the people, to start to demand of your officeholders that if they want your continued support, they had better get on the job in reforming foreign aid as a matter of policy.

Before the week is out, I shall offer some policy amendments, at least for educational purposes. Sooner or later—and I hope this might be the year—some of the policy changes will be demanded by Congress by writing them into the bill.

Mr. President, that is my case. This is my first speech this week on the subject. I am pleased to rest on that case.

If it meets with the approval of the majority leader, I shall suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold that request?

Mr. MORSE. I withhold the request.

Mr. MANSFIELD. Has the Senator yielded the floor?

Mr. MORSE. I yield the floor.

AID FOR DEPENDENT CHILDREN OF UNEMPLOYED PARENTS IN THE DISTRICT OF COLUMBIA

During the delivery of Mr. MORSE's speech,

Mr. RIBICOFF. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Mr. President, I am glad to yield to the Senator from Connecticut [Mr. RIBICOFF], with the understanding that the interruption will appear elsewhere in the RECORD, and with the further understanding that it will not interfere with my rights to the floor.

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). Without objection, the Senator from Connecticut is recognized.

Mr. RIBICOFF. I thank the Senator from Oregon for yielding to me.

Mr. President, last Friday, the Senate decided by seven votes not to include the District of Columbia in the national program of aid to families with dependent children of unemployed parents. While I am disappointed, I am not discouraged by this outcome. The prospects for eventual victory have improved since last year.

This year, unlike last year, the House of Representatives approved the program.

Further, I note that while the issue was lost by seven votes, nine Senators who voted in favor of the program last year were absent or otherwise not recorded this year.

So, I am convinced that the fight must continue. The plight of these needy children will not disappear. The issue of helping them will not go away. I can assure the Senate that so long as I have the privilege of serving in the Senate, the effort to help these children will be made.

During the debate, the distinguished Senator from West Virginia [Mr. BYRD], who opposed the program, listed 21 arguments against including the District in the unemployed parent program.

For the benefit of the conferees who still must consider this issue, and for all those who will have to consider it next year if it is not agreed to in conference, I have prepared an analysis of those 21 arguments and an answer to each.

I ask unanimous consent to have this analysis printed in the RECORD.

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

Argument No. 1: "The House turned down the request in fiscal year 1963, so that it cannot be said, as was said a few moments ago by the distinguished Senator from New Hampshire—who is now in the chair as the Presiding Officer—that the program has been denied by the Senate Appropriations Subcommittee on the District of Columbia.

"That is only partly true. The House turned down the request in fiscal year 1963. The Senate turned down the request in fiscal year 1964. The request last year was never presented to the House. The House acted on the A budget. This item was not in the A budget. This item last year was in the B budget which came to the Senate and it was denied by the Senate when it rejected the Ribicoff amendment. Of course, the Senate Appropriations Committee and the subcommittee last year had, prior to the action taken by the Senate, denied the request.

"This year, the House included the item. But I say to the Senate that only 12 questions were asked in the House subcommittee.

"This is not intended as any reflection on the House subcommittee, but the record will show that no more than 12 questions were asked; whereas, in the Senate Appropriations Subcommittee this year, approximately 100 questions were asked concerning this one item alone, and last year approximately 225 questions were asked by the Senate subcommittee concerning this one item."

Answer No. 1: No matter what happened in fiscal year 1963, the undeniable fact remains that last year, and more importantly, this year, it is the action of the Senate that is keeping the District out of the AFDC-UP program. This year the House Appropriations Committee and the House of Representatives voted in favor of the program.

The number of questions asked in subcommittee is no measure of the need for a program. The Senate subcommittee did ask

more questions about the program than the House subcommittee, but it also received more answers showing the need for the program.

Argument No. 2: "The program is not justified in the District of Columbia because the unemployment rate is low comparatively speaking."

Answer No. 2: The size of the unemployment rate has no bearing on the need for this program. It provides aid for needy children of unemployed parents. Their needs are just as severe, whether the total number of unemployed parents is large or small. West Virginia uses the program for 11,000 families. Oklahoma uses it even though only 25 families are eligible.

Argument No. 3: "The general level of prosperity is high."

Answer No. 3: The high level of prosperity means nothing to the hungry children of parents who cannot find a job. If prosperity is generally high, then surely those who benefit from it would not mind spending a little tax money to help those who do not.

Argument No. 4: "The Department of Welfare has been unable to prevent a firm projection of cost estimates for the future operation of the program."

Answer No. 4: Neither the District of Columbia Department of Welfare, nor its counterpart in West Virginia, has a crystal ball. Neither can predict how many parents will be unemployed in the years ahead. But we do know that the unemployed rate in the District has been fairly constant and we also know there is a present need that is not being met.

Argument No. 5: "The man-in-the-house rule would be nullified, and the Federal Government would close its eyes to the presence of the paramour in the home, and he could be included in the benefit plan."

Answer No. 5: This is simply not so. The man-in-the-house rule would not be nullified. It would be modified only to the extent that the presence of a man in the home would not render the family ineligible if that man was the father of one or more of the children. But the man-in-the-house rule would continue to apply to every man who was not a father of any of the children in the home. A paramour would certainly not be included in the benefit plan.

Argument No. 6: "The ADC caseload, which has been reduced roughly 30 percent over the last 2½ years, would be increased 27½ percent in the first full year of operation of the program. Our work in reducing the caseload over the past 2½ years would virtually go for naught."

Answer No. 6: The caseload would increase only if there are needy and hungry children of unemployed parents. There is no virtue in keeping a caseload figure low by excluding hungry and needy children.

Argument No. 7: "Additional positions would be needed and additional policing would be required."

Answer No. 7: The need for personnel to run the program is no more an obstacle in the District than it is in any other of the 18 States that have the program.

Argument No. 8: "Administrative burdens would be increased."

Answer No. 8: The administrative burdens are no more an obstacle in the District than they are in any other of the 18 States that have the program.

Argument No. 9: "Additional opportunities for cheating would be presented."

Answer No. 9: Because a very small number of people cheat is no reason to deny benefits to the vast majority who do not. This, too, is no more an obstacle in the District than in the 18 other States.

Argument No. 10: "It has not been shown that a feasible and practicable work program in the District of Columbia can be established. States which presently participate in the AFDC–UP program have vast opportunities for employment of AFDC–UP recipients and can loan them to municipalities and county courts, and use them to clean up after floods, fight forest fires, remove brush along the highways, and so forth."

Answer No. 10: There are plenty of useful work opportunities here in the District. Let us make our streets and parks as clean as any European capital before concluding there is no work to be done.

Argument No. 11: "Work training programs already exist in the District of Columbia. Another work training program is not needed."

Answer No. 11: If existing work training programs can be adapted for the unemployed parents who would be eligible under the AFDC–UP program, then nothing new would be set up. In any event, this is no reason to deny assistance to the needy.

Argument No. 12: "The program is costly both to local and Federal Government. The first full year's total cost of the program would exceed $2,577,000. What the cost will be beyond that, nobody knows."

Answer No. 12: The cost to the community is far less than meeting the need in other ways. The AFDC–UP payment per child is less than the foster home payment and far less than the cost of maintaining the child in Junior Village.

Argument No. 13: "If the program is initiated it will never be terminated until the Federal law is repealed or permitted to be terminated without renewal. The peculiar circumstances which obtain in this city and in the Congress with regard to the city simply rule out a stoppage of the program if it is once started—barring, as I have said, the repeal of the Federal authorizing statute or failure to extend its life beyond 1967."

Answer No. 13. The program requires funds from Congress each year. Congress can change or end the program any year it wants to.

Argument No. 14. "The District has a difficult financial problem now, and the AFDC–UP program would merely compound the problem."

Answer No. 14: The funds for this program were included in the District budget submitted by the President. In any event, the District's financial problem is nothing compared to the welfare and potential crime problems caused by failing to provide basic sustenance for these families.

Argument No. 15: "The AFDC–UP program would siphon off much needed moneys from other worthwhile programs dealing with education, and so forth."

Answer No. 15: There is no fixed ceiling on what Congress spends for the District. There is no need to siphon this money off from any other program.

Argument No. 16: "It could amount to a back-door appropriation approach, in that certain positions could be created without prior authorization."

Answer No. 16: The Appropriations Subcommittee is fully capable of making sure that no unauthorized positions are created.

Argument No. 17: "This is an unemployment compensation matter, not a welfare matter. Extend the period for unemployment compensation coverage, if you wish, but let us not start a new welfare program of such dimensions."

Answer No. 17: This is a popular misconception to which there are several answers:

(a) Most of the families in need of the AFDC-UP program are ineligible for unemployment compensation. Some have never worked in covered employment. For others the only jobs they can find even on a sporadic basis are with employers who fail to make contributions to the unemployment compensation fund.

(b) The unemployment compensation program is designed to help those regularly employed during comparatively brief intervals between jobs. Regardless of their personal assets, they are entitled to the insurance benefits which they and their employers have purchased. The AFDC–UP program is for those who are hopelessly unemployed and have no assets to fall back on.

(c) An unemployment compensation program does not negate the need for AFDC–UP in the District any more than it does in the 18 other States that have the program.

Argument No. 18: "Recipients would receive more, ordinarily, under this program, than would those persons who draw unemployment compensation."

Answer No. 18: First, most AFDC–UP recipients are ineligible for unemployment compensation and so the argument is not true as to them. Secondly, the two kinds of payment serve an entirely different purpose. The unemployment compensation payment is a modest payment to tide a family over where the wage earner is temporarily unemployed. The AFDC–UP payment is for a family that has no other means of surviving.

Argument No. 19: "Only 19 States have elected to participate and continued to participate in the program to date. The State of Kentucky has nine counties operating under a pilot program. The State of Arizona originally participated in the plan but it was suspended over a year ago. The State of North Carolina, from which the fine lady commissioner of welfare, Dr. Ellen Winston, comes, participated for awhile, but the legislature refused to continue participation as far back as 2 years ago. If the program is so desirable, why do the other 31 States not participate?"

Answer No. 19: The main reason the other 31 States do not participate is that most of them can make some provision for the chronically unemployed under their general assistance programs. But here in the District if a man or a woman is technically "employable," the family is ineligible for any welfare aid including general assistance regardless of how long the person has in fact been without work.

Argument No. 20: "The incentive of recipients to find other work would be impaired."

Answer No. 20: This is not so. Those receiving AFDC–UP payments would be required to report for available training and to accept available work opportunities. If they failed to do so, they would be disqualified for assistance.

Argument No. 21: "The program will attract to the District of Columbia more of the same element which now constitutes a burden on the taxpayers, which is driving taxpayers out of the city into adjacent areas, which contributes to increasing crime costs, to increasing welfare and health costs, and to decreasing property values and lower tax potential."

Answer No. 21: None of the 18 States with the AFDC–UP program has experienced an influx of people. West Virginia in fact continues to lose population. And if likelihood of crime is the worry, the answer is certainly not to keep unemployed people ineligible from funds that can mean the difference between life and death.

Mr. MORSE. Mr. President, let me say to the Senator from Connecticut that I shall continue to support the position he has taken with regard to the desirability of including the District of Columbia in the aid-for-dependent-children program.

Mr. RIBICOFF. I do not believe that the District has a more worthy champion of these children than the Senator from Oregon [Mr. MORSE], because of the position he has taken as a member of the District Committee and chairman of the

subcommittee dealing with welfare problems. There is not a person in this Congress or in this city who is more aware of their basic needs than he. This is a fight that he and I—and the distinguished Senator now occupying the Chair, the Senator from New Hampshire [Mr. McINTYRE]—will have to continue to bring to the fore in an endeavor to help the needy children of the District of Columbia.

Mr. MORSE. I thank the Senator very much. I take this opportunity to thank the Senator from Connecticut [Mr. RIBICOFF] and to state that I was about to make an announcement later, but I shall do it now, that in the next session of Congress, as chairman of the Subcommittee on the District Committee dealing with welfare problems in the District of Columbia, I intend to conduct hearings on legislation which bears upon the problem so often described as the "man in the house" problem, because I believe that it is very important that there be full-scale legislative hearings. If no other Senator introduces legislation on this matter, I shall do so.

So far as the legislative aspects are concerned, it is not a matter which should be handled by the Appropriations Committee. We should enact legislation dealing with the subject, and adopt an authorization bill dealing with it, and then present it to the Appropriations Committee.

Mr. RIBICOFF. I thank the Senator from Oregon. He can count me in as a cosponsor of the proposed legislation. The so-called man-in-the-house rule has been used to confuse the issue of whether we should have the "unemployed parent" program in the District. The fact is that in most of the families that would be eligible for AFDC–UP, the head of the household is a woman; so there would be no change in the rule in these cases.

INTEREST EQUALIZATION TAX ON CERTAIN FOREIGN SECURITIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1203, H.R. 8000.

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

The LEGISLATIVE CLERK. A bill (H.R. 8000) to amend the Internal Revenue Code of 1954 to impose a tax on acquisition of certain foreign securities in order to equalize costs of longer term financing in the United States and in markets abroad, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Finance with amendments on page 1, line 5, after the word "Act", to strike out "of 1963"; on page 2, in the last line of the matter after line 8, after "SEC. 4920.", to strike out "Definitions" and insert "Definitions and special rules."; on page 4, line 17, after the word "this", to strike out "chapter.—" and insert "chapter—"; on page 5, line 5, after the word "Contributions", to insert "made by an employer to a foreign pension or profit-sharing trust established by such employer for the exclusive benefit of employees (who are not owner-employees as defined in section 401(c)(3)) who perform personal services for such employer on a full-time basis in a foreign country, and contributions"; after line 17, to strike out:

(2) CERTAIN TRANSFERS TO FOREIGN CORPORATIONS AND PARTNERSHIPS.—Any transfer of money or other property to a foreign corporation or a foreign partnership—

(A) as a contribution to the capital of such corporation or partnership, or

(B) in exchange for one or more debt obligations of such corporation or partnership, if it is a foreign corporation or partnership which is formed or availed of by the transferor for the principal purpose of acquiring (in the manner described in section 4915(c)(1)) an interest in stock or debt obligations the direct acquisition of which by the transferor would be subject to the tax imposed by section 4911,

shall be deemed an acquisition by the transferor of stock of a foreign corporation in an amount equal to the actual value of the money or property transferred.

And, in lieu thereof, to insert:

(2) CERTAIN TRANSFERS.—

(A) TRANSFERS TO FOREIGN CORPORATIONS AND PARTNERSHIPS.—Any transfer of money or other property to a foreign corporation or a foreign partnership—

(i) as a contribution to the capital of such corporation or partnership, or

(ii) in exchange for one or more debt obligations of such corporation or partnership, if it is a foreign corporation or partnership which is formed or availed of by the transferor for the principal purpose of acquiring (in the manner described in section 4915(c)(1)) an interest in stock or debt obligations the direct acquisition of which, the transferor would be subject to the tax imposed by section 4911,

shall be deemed an acquisition by the transferor of stock of a foreign corporation or partnership in an amount equal to the actual value of the money or property transferred.

(B) TRANSFERS TO FOREIGN BRANCHES.—If a domestic corporation or partnership transfers money or other property to, or applies money or other property for the benefit of, a branch office of such corporation or partnership with respect to which there is in effect an election under section 4920(a)(5)(E), or if funds are borrowed by such branch office from a bank (as defined in section 581), other than from a branch of such a bank located outside the United States lending such funds in the ordinary course of its business, such domestic corporation or partnership shall be deemed to have acquired stock of a foreign corporation or partnership in an amount equal to the actual value of the money or property transferred or applied, or the funds borrowed.

On page 8, line 15, after the word "obligations.", to insert:

For purposes of this paragraph, in determining whether section 354, 355, or 356 applies, or would apply, to any transaction—

(A) such transaction shall, if it took place before the date of the enactment of this chapter, be treated as taking place on such date, and

(B) section 368(a)(1)(B) shall be treated as permitting the receipt by a United States person of money or other property in addition to voting stock.

On page 9, line 14, after the word "obligation", to strike out "or" and insert "or of"; on page 10, line 23, after the word "debt", to strike out "obligation, pursuant to section 4920(a)(2)(D), had" and insert "obligation had"; on page 11, line 8, after the word "obligation", to insert "or, if such acquisition was not subject to the tax imposed by section 4911, the amount of tax which would have been imposed as a result of such acquisition if such acquisition had been subject to such tax"; in line 16, after the word "person", to strike out "who is a shareholder of such corporation"; in line 21, after the word "acquired", to strike out "by such person" and insert "by a shareholder of such corporation"; at the beginning of line 23, to strike out "by such corporation"; in line 25, after the word "right", to strike out "by its terms expires or terminates within a period not exceeding 90 days from the date so distributed to him" and insert "is exercised within 90 days from the date of its distribution by such corporation"; on page 12, line 13, after "(a)", to strike out "(7)" and insert "(8)"; in line 23, after the word "or", to strike out "(2)" and insert "(2)(A)"; on page 13, after line 3, to insert:

(c) ACQUISITION BY CERTAIN DOMESTIC CORPORATIONS AND PARTNERSHIPS.—If stock or a debt obligation of a foreign issuer or obligor is acquired by a domestic corporation or a domestic partnership with funds obtained as the result of an acquisition by a United States person of stock or a debt obligation of such corporation or partnership which under section 4912(b)(3) is deemed an acquisition by such person of stock or a debt obligation of a foreign issuer or obligor, the tax imposed upon the acquisition by the domestic corporation or the domestic partnership shall be limited to—

(1) the amount of tax imposed by section 4911, less

(2) the amount of tax paid by the United States person from whom the funds were obtained on the acquisition by such person which under section 4912(b)(3) is deemed an acquisition of stock or a debt obligation of a foreign issuer or obligor.

On page 14, after line 13, to insert:

(5) any distribution to a shareholder by a corporation of stock or debt obligations owned by such corporation on July 18, 1963, in complete or partial liquidation of such corporation, to the extent such shareholder acquired his stock ownership in such corporation in a transaction other than in an acquisition excluded from tax under subsection (b) of this section, or under section 4915, 4916, or 4917;

At the beginning of line 22, to strike out "(5)" and insert "(6)"; on page 15, at the beginning of line 5, to strike out "(6)" and insert "(7)"; at the beginning of line 9, to strike out "(7)" and insert "(8)"; on page 17, after line 2, to insert:

(4) ACQUISITIONS IN LIEU OF PAYMENT OF FOREIGN TAX.—Of stock or debt obligations by a United States person doing business in a foreign country, to the extent such acquisition is made, in conformity with the laws of such foreign country, as a substitute for the payment of tax to such foreign country.

After line 8, to insert:

(5) ACQUISITIONS OF STOCK IN COOPERATIVE HOUSING CORPORATIONS.—Of stock of a foreign corporation which entitles the holder, solely by reason of his ownership of such stock, to occupy for dwelling purposes a

house, or an apartment in a building, owned or leased by such corporation.

At the beginning of line 15, to strike out "(4)" and insert "(6)"; at the beginning of line 19, to strike out "(5)" and insert "(7)"; on page 18, at the beginning of line 1, to strike out "(6)" and insert "(8)"; at the beginning of line 6, to strike out "(7)" and insert "(9)"; after line 11, to insert:

(10) ACQUISITIONS OF DEBT OBLIGATIONS ON SALE OR LIQUIDATION OF WHOLLY OWNED FOREIGN SUBSIDIARIES.—Of debt obligations acquired in connection with the sale or liquidation of a wholly owned foreign corporation, to the extent provided in subsection (g).

After line 17, to insert:

(11) AQUISITIONS OF DEBT OBLIGATIONS ARISING OUT OF PURCHASE OF REAL PROPERTY LOCATED IN THE UNITED STATES.—Of debt obligations secured by real property located in the United States and arising out of the purchase of such property from United States persons, to the extent provided in subsection (h).

After line 23, to insert:

(12) ACQUISITIONS BY UNITED STATES PERSONS RESIDING IN FOREIGN COUTRIES OF STOCK OF CERTAIN FOREIGN ISSUERS INVESTING EXCLUSIVELY IN THE UNITED STATES.—Of stock of foreign issuers investing exclusively in the United States by United States persons residing in foreign countries, to the extent provided in subsection (i).

On page 19, line 13, after the word "obligation", to insert "or of any related debt obligation arising out of such sale)"; on page 20, line 14, after "(A)", to strike out "not less than" and insert :"at least"; in line 15, after the word "price", to insert "or 60 percent of the actual value of the stock or debt obligation acquired"; in line 25, after "(B)", to strike out "not less than" and insert "at least"; on page 21, line 1, after the word "price", to insert "or 100 percent of the actual value of the stock or debt obligation acquired,"; after line 6, to insert:

(3) CERTAIN INTERESTS IN INTANGIBLE PERSONAL PROPERTY.—The tax imposed by section 4911 shall not apply to the acquisition by a United States person from a foreign issuer or obligor of its stock in payment for, or of a debt obligation arising out of, the sale or license to such issuer or obligor of—

(A) any interest in patents, inventions, models or designs (whether or not patented), copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, or other like property (or any combination thereof), or

(B) any such interest together with services to be performed in connection with any such interest sold or licensed by such United States person (or by one or more includible corporations in an affiliated group, as defined in section 1504, of which such person is a member),

if not less than 85 percent of the purchase price, or license fee, is attributable to the sale or license of any interest in property described in subparagraph (A) which was produced, created, or developed in the United States by such United States person (or by one or more such includible corporations), or is attributable to the sale or license of any interest in such property so produced, created, or developed and to the performance of services described in subparagraph (B).

On page 22, at the beginning of line 8, to strike out "(3)" and insert "(4)"; on page 23, at the beginning of line 1, to strike out "(4)" and insert "(5)"; in line 10, after the word "derivatives", to strike out "thereof) extracted outside the United States" and insert "thereof)—"; after line 11, to strike out:

(i) by such United States person;

(ii) by one or more includible corporations in an affiliated group (as defined in section 48(c)(3)(C)) of which such person is a member; or

(iii) by a corporation at least 10 percent of the total combined voting power of all classes of stock of which is owned by such United States person, if at least 50 percent of such voting power is owned by United States persons each of whom owns at least 10 percent of such voting power; or

And, in lieu thereof, to insert:

(i) extracted outside the United States by such United States person or by one or more includible corporations in an affiliated group (as defined in section 48(c)(3)(C)) of which such United States person is a member,

(ii) extracted outside the United States by a corporation at least 10 percent of the total combined voting power of all classes of stock of which is owned, directly or indirectly, by such United States person, by one or more such includible corporations, or by domestic corporations which own, directly or indirectly, at least 50 percent of the total combined voting power of all classes of stock of such United States person,

(iii) obtained under a contract entered into on or before July 18, 1963, by such United States person, by one or more such includible corporations, or by such domestic corporations, or

(iv) extracted outside the United States and obtained by such United States person, by one or more such includible corporations, or by such domestic corporations in exchange for similar ores or minerals (or derivatives thereof) described in clause (i), (ii), or (iii); or

On page 35, line 1, after the word "obligor", to insert "(or by a person controlled by, or controlling, such obligor)"; in line 11, after the word "clause", to strike out "(ii) or (iii) of subparagraph (A)" and insert "(i) or (ii) of subparagraph (A), is obtained under a contract described in clause (iii) of subparagraph (A), or is obtained in an exchange described in clause (iv) of subparagraph (A)"; at the beginning of line 16, to strike out "(5)" and insert "(6)"; in the third line of the matter after line 16, after the word "subsection", to strike out "(g)" and insert "(j)"; on page 27, after line 22, to strike out:

(1) IN GENERAL.—The tax imposed by section 4911 shall not apply to the acquisition of stock or a debt obligation by a United States person which is an insurance company subject to taxation under section 802, 821, or 831, if—

(A) such stock or debt obligation is designated (in accordance with paragraph (3)) as part of a fund of assets established and maintained by such insurance company (in accordance with paragraph (2)) with respect to foreign risks insured or reinsured by such company under contracts (including annuity contracts) which, by their terms, provide that the proceeds shall be payable only in the currency of a foreign country; and

(B) the actual value of all of the assets held in such fund immediately after the stock or debt obligation has been designated as a part thereof does not exceed 110 percent of the applicable allowable reserve determined in accordance with paragraph (4).

As used in this subsection, the term "foreign risks" means risks in connection with property outside, or liability arising out of activity outside, or in connection with the lives or health of residents of countries other than, the United States.

And, in lieu thereof, to insert:

(1) IN GENERAL.—The tax imposed by section 4911 shall not apply to the acquisition of stock or a debt obligation by a United States person which is an insurance company subject to taxation under section 802, 821, or 831, if such stock or debt obligation is designated (in accordance with paragraph (3)) as part of a fund of assets established and maintained by such insurance company (in accordance with paragraph (2)) with respect to foreign risks insured or reinsured by such company under contracts (including annuity contracts) the proceeds of which are payable only in the currency of a foreign country. As used in this subsection, the term "foreign risks" means risks in connection with property outside, or liability arising out of activity outside, or in connection with the lives or health of residents of countries other than, the United States.

On page 30, after line 14, to strike out:

(3) DESIGNATION OF ASSETS.—

(A) INITIAL DESIGNATION.—

(i) REQUIREMENT OF INITIAL DESIGNATION.—An insurance company desiring to establish a fund (or funds) of assets under paragraph (2) shall initially designate, as part or all of such fund (or funds), stock of foreign issuers, or debt obligations of foreign obligors having a period remaining to maturity of 3 years or more, or both, which it owned on December 10, 1963, to the extent that such stock or debt obligations or both had an actual value as of such date not in excess (in the case of any such fund) of 110 percent of the applicable allowable reserve of such company as determined in accordance with paragraph (4)(A). The designation or designations which an insurance company is required to make under the preceding sentence shall be made first from stock and debt obligations which were acquired by such company on or before July 18, 1963, and shall in no case include any stock or debt obligation described in paragraph (1), (2), or (3) of section 4916(a).

(ii) TIME AND MANNER OF INITIAL DESIGNATION.—Any initial designation which an insurance company is required to make under this subparagraph shall be made on or before the 30th day after the date of the enactment of this chapter (or at such later time as the Secretary or his delegate may by regulations prescribe) by the segregation on the books of such company of the stock or debt obligations (or both) designated.

(B) DESIGNATIONS TO MAINTAIN FUND.—To the extent permitted by subparagraph (C), an insurance company may claim an exclusion under this subsection with respect to the acquisition of stock or a debt obligation of a foreign issuer or obligor after December 10, 1963, if such company designates such stock or debt obligation as part of a fund of assets described in paragraph (2) before the expiration of 30 days after the date of such acquisition (and continues to own it until the time the designation is made); except that any such stock or debt obligation acquired before the initial designation of assets to the fund is actually made as provided in subparagraph (A)(ii) may be designated under this subparagraph at the time of such initial designation without regard to such 30-day and continued ownership requirements.

(C) LIMITATION.—No designation of stock or a debt obligation as part of a fund of assets shall be made under this paragraph to the extent that, immediately thereafter, the actual value of all of the assets held in such fund would exceed 110 percent of the applicable allowable reserve determined in accordance with paragraph (4).

And, in lieu thereof, to insert:

(3) DESIGNATION OF ASSETS.—

(A) INITIAL DESIGNATION.—

(i) REQUIREMENT OF INITIAL DESIGNATION.—An insurance company desiring to establish a fund (or funds) of assets under paragraph (2) shall initially designate, as part or all of such fund (or funds), stock and debt obligations owned by it on July 18, 1963, as follows: First, stock of foreign issuers, and debt obligations of foreign obligors having a period remaining to maturity (on July 18, 1963) of 3 years or more and payable in foreign currency; second, if the company so elects, debt obligations of foreign obligors having a period remaining to maturity (on July 18, 1963) of less than 3 years and payable in foreign currency; and third, debt obligations of foreign obligors having a period remaining to maturity (on July 18, 1963) of 3 years or more and payable solely in United States currency. The designation under the preceding sentence with respect to any fund shall be made, in the order set forth, to the extent that the adjusted basis (within the meaning of section 1011) of the designated stock and debt obligations was (on July 18, 1963) not in excess of 110 percent of the allowable reserve applicable to such fund (determined in accordance with paragraph (4)(B)(ii)), and shall in no case include any stock or debt obligation described in section 4916(a).

(ii) TIME AND MANNER OF INITIAL DESIGNATION.—Any initial designation which an insurance company is required to make under this subparagraph shall be made on or before the 30th day after the date of the enactment of this chapter (or at such later time as the Secretary or his delegate may by regulations prescribe) by the segregation on the books of such company of the stock or debt obligations (or both) designated.

(B) CURRENT DESIGNATIONS TO MAINTAIN FUND.—To the extent permitted by subparagraph (E), stock of a foreign issuer or a debt obligation of a foreign obligor acquired by an insurance company after July 18, 1963, may be designated as part of a fund of assets described in paragraph (2), if such designation is made before the expiration of 30 days after the date of such acquisition and the company continues to own the stock or debt obligation until the time the designation is made; except that any such stock or debt obligation acquired before the initial designation of assets to the fund is actually made as provided in subparagraph (A) (ii) may be designated under this subparagraph at the time of such initial designation without regard to such 30-day and continued ownership requirements.

(C) ADDITIONAL DESIGNATIONS AFTER CLOSE OF YEAR.—If the adjusted basis of the assets held in a fund of assets described in paragraph (2) at the close of a calendar year after 1963 is less than 110 percent of the allowable reserve applicable to such fund at the close of such year, the insurance company may, to the extent permitted by subparagraph (E), designate additional stock or debt obligations (or both) which were acquired during such calendar year as part of such fund, so long as the company still owns such stock or debt obligations at the time of designation. Any designation under this subparagraph shall be made on or before January 31 following the close of the calendar year. Any tax paid by such company under section 4911 on the acquisition of the additional stock or debt obligations so designated shall constitute an overpayment of tax; and, under regulations prescribed by the Secretary or his delegate, credit or refund (without interest) shall be allowed or made with respect to such overpayment.

(D) SUPPLEMENTAL REQUIRED DESIGNATIONS AFTER CLOSE OF YEAR.—If during any calendar year an insurance company acquires stock or debt obligations which are excluded from the tax imposed by section 4911 under an Executive order described in section 4917, and if at the close of the calendar year (and after the designation of additional assets under subparagraph (C)) the adjusted basis of all assets in a fund described in paragraph (2) is less than 110 percent of the allowable reserve applicable to such fund, such company shall, to the extent permitted by subparagraph (E), designate as part of such fund stock and debt obligations acquired by it during the calendar year and owned by it at the close of the calendar year, as follows: First, stock, and debt obligations having a period remaining to maturity (on the date of acquisition) of 3 years or more and payable in foreign currency, which were excluded from the tax imposed by section 4911 under such Executive order; second, if the company so elects, debt obligations of foreign obligors having a period remaining to maturity (on the date of acquisition) of less than 3 years and payable in foreign currency; and third, debt obligations having a period remaining to maturity (on the date of acquisition) of 3 years or more and payable solely in United States currency, which were excluded from the tax imposed by section 4911 under such Executive order. The designations under this subparagraph shall be made on or before January 31 following the close of the calendar year.

(E) LIMITATIONS.—

(i) IN GENERAL.—Stock or a debt obligation may be designated under subparagraph (B), (C), or (D) as part of a fund of assets described in paragraph (2) only to the extent that, immediately after such designation, the adjusted basis of all the assets held in such fund does not exceed 110 percent of the applicable allowable reserve (determined in accordance with paragraph (4)(B)(i)). To the extent any designation of stock or a debt obligation exceeds the amount permitted by the preceding sentence, such designation shall be ineffective and the provisions of this chapter shall apply with respect to the acquisition of such stock or debt obligation as if such designation had not been made.

(ii) SHORT-TERM OBLIGATIONS.—No designation may be made under subparagraph (B) or (C) of any debt obligation which has a period remaining to maturity (on the date of acquisition) of less than 3 years.

On page 38, line 25, after the word "premiums", to insert "(under section 832(b)(4))"; on page 39, line 1, after the word "losses", to insert "(under section 832(b)(5))"; in line 6, after the numerals "832", to strike out "(b) (4) and (5)"; after line 10, strike out:

The determination of an allowable reserve of an insurance company for any calendar year shall be made as of the close of the previous calendar year.

(B) SPECIAL ELECTION WITH RESPECT TO DETERMINATION OF ALLOWABLE RESERVE.—Notwithstanding the last sentence of subparagraph (A), an insurance company which has established a fund of assets under this subsection may elect, in such manner and form as the Secretary or his delegate shall by regulations prescribe and at the time it is required under section 6076 to file its return for the period in which the last day of the calendar year occurs, to make the determination of the allowable reserve applicable to such fund with respect to such year as of the close of such year. Upon making such election the company may (if the allowable reserve as so determined is higher than as determined under subparagraph (A)) designate additional stock or debt obligations (or both) as part of such fund, so long as the company still owns such stock or debt obligations at the time of designation and the actual value of all of the assets held in such fund is not increased to more than 110 percent of the allowable reserve applicable to such fund as determined under this subparagraph. Any tax paid by such company under section 4911 on the acquisition of the additional stock or debt obligations so designated shall constitute an overpayment of tax; and, under regulations prescribed by the Secretary or his delegate, credit or refund (without interest) shall be allowed or made with respect to such overpayment.

And, in lieu thereof, to insert:

(B) TIME OF DETERMINATION.—

(i) IN GENERAL.—For purposes of paragraph (3) (other than subparagraph (A) of such paragraph), the determination of an allowable reserve for any calendar year shall be made as of the close of such year.

(ii) INITIAL DESIGNATION.—For purposes of paragraph (3)(A), the determination of an allowable reserve shall be made as of July 18, 1963. If the insurance company so elects, the determination under this clause may be made by computing the mean of the allowable reserve at the beginning and at the close of the calendar year 1963.

On page 42, after line 6, to insert:

(g) SALE OR LIQUIDATION OF WHOLLY OWNED FOREIGN SUBSIDIARY.—

(1) IN GENERAL.—The tax imposed by section 4911 shall not apply to the acquisition by a United States person of a debt obligation of a foreign obligor if the debt obligation is acquired—

(A) in connection with the sale by such United States person (or by one or more includible corporations in an affiliated group, as defined in section 48(c)(3)(C), of which such United States person is a member) of all of the outstanding stock, except for qualifying shares, of a foreign corporation; or

(B) in connection with the liquidation by such United States person (or by one or more such includible corporations) of a foreign corporation all of the outstanding stock of which, except for qualifying shares, is owned by such United States person (or by one or more such includible corporations), but only if such debt obligation had been received by such foreign corporation as part or all of the purchase price in a sale of substantially all of its assets.

(2) LIMITATION.—Paragraph (1) shall not apply to the acquisition of a debt obligation if any of the stock sold or surrendered in connection with its acquisition was originally acquired with the intent to sell or surrender.

On page 43, after line 7, to insert:

(h) CERTAIN DEBT OBLIGATIONS SECURED BY UNITED STATES MORTGAGES, ETC.—

(1) IN GENERAL.—The tax imposed by section 4911 shall not apply to the acquisition from a foreign obligor by a United States person of a debt obligation of such foreign obligor which is secured by real property located in the United States, to the extent that—

(A) the debt obligation is a part of the purchase price of such real property (or of such real property and related personal property); or

(B) the debt obligation arises out of a loan made by such United States person to the foreign obligor the proceeds of which are concurrently used as part of the purchase price of such real property (or of such real property and related personal property).

(2) LIMITATION.—Paragraph (1) shall apply to the acquisition of a debt obligation only if—

(A) the owner of the property sold is a United States person; and

(B) at least 25 percent of the purchase price of the property sold is, at the time of such sale, paid in United States currency to such United States person by the foreign

obligor from funds not obtained from United States persons for the purpose of purchasing such property.

(3) RELATED PERSONAL PROPERTY.—For purposes of paragraph (1), the term "related personal property" means personal property which is sold in connection with the sale of real property for use in the operation of such real property.

On page 44, after line 13, to insert:

(i) ACQUISITIONS OF STOCK OF FOREIGN ISSUERS INVESTING EXCLUSIVELY IN THE UNITED STATES.—

(1) IN GENERAL.—The tax imposed by section 4911 shall not apply to the acquisition from a foreign issuer of its stock by a United States person who is a bona fide resident of a foreign country within the meaning of section 911(a)(1), or who at the time of such acquisition is regularly performing personal services on a full-time basis in a foreign country, if at the close of each calendar quarter ending on or after June 30, 1963, preceding such acquisition, during any part of which such foreign issuer is in existence—

(A) the assets of such foreign issuer, exclusive of money or deposits with persons carrying on the banking business, consist solely of:

(i) stock or debt obligations of domestic corporations (other than a corporation which has elected under section 4920(a)(3)(B) to be treated as a foreign issuer or obligor for purposes of this chapter);

(ii) debt obligations of the United States, or of any State or possession of the United States, or any political subdivision of any State or possession; or

(iii) debt obligations of citizens or residents of the United States;

(B) money and deposits with persons carrying on the banking business (other than banks as defined in section 581) constitute less than 5 percent of the value of the assets of such foreign issuer; and

(C) less than 25 percent of each class of issued and outstanding stock of such foreign issuer is held of record by United States persons.

(2) ACQUISITIONS THROUGH UNIT INVESTMENT TRUSTS.—For purposes of paragraph (1), an acquisition of an interest in a unit investment trust (within the meaning of section 4(2) of the Investment Company Act of 1940), or in an entity performing similar custodial functions, shall be deemed a direct acquisition from the foreign issuer of the stock held by such trust or entity with respect to such interest and shall not be treated as an acquisition of stock issued by such trust or entity.

(3) LIMITATIONS.—

(A) Paragraph (1) shall apply only to that portion of the total acquisitions of stock of foreign issuers described in such paragraph (determined in the order acquired) by a United States person in any one calendar year that does not exceed $5,000.

(B) If, after July 30, 1964, a United States person sells or otherwise disposes of stock the acquisition of which was excluded under paragraph (1) from the tax imposed by section 4911, such person shall not, with respect to such stock, be considered a United States person.

On page 46, at the beginning of line 18, to strike out "(g)" and insert "(j)"; in line 22, after "(3)", to strike out "or (4)" and insert "(4), or (5)"; on page 47, line 9, after the word "business"; to strike out "or"; after line 9, to insert:

(iii) in the case of an exclusion provided by paragraph (1)(B), (2), or (3) of subsection (c), to any transferee where the extension of credit by such person and the acquisition of the debt obligation related thereto were reasonably necessary to accomplish the sale of property or services out of which the debt obligation arose, and the terms of the debt obligation are not unreasonable in light of credit practices in the business in which such person is engaged; or

At the beginning of line 20, to strike out "(iii)" and insert "(iv)"; on page 48, line 5, after "(2)", to insert "or (3)"; on page 49, line 5, after "(3)", to strike out "or (4)" and insert "(4), or (5)"; on page 50, line 12, after the word "corporation", to insert "or of a debt obligation from a foreign corporation which received such obligation in the ordinary course of its trade or business as a result of the sale or rental of products manufactured or assembled by it or of the performance of services by it,"; on page 51, line 10, after the word "acquisition", to strike out "of stock of a foreign corporation or foreign partnership by a United States person" and insert "by a United States person of stock or a debt obligation of a foreign corporation or foreign partnership, or a debt obligation from a foreign corporation which received such obligation in the ordinary course of its trade or business as a result of the sale or rental of products manufactured or assembled by it or the performance of services by it"; in line 20, after the word "if", to strike out "such person continuously holds such stock from the time of its acquisition to the last day of the calendar year in which the acquisition was made and as of such last day meets the ownership requirements of paragraph (1)." and insert "such person—"; after line 24, to insert:

(A) meets the ownership requirement of paragraph (1) with respect to such corporation or partnership at any time within 12 months after the date of such acquisition, and

(B) holds the stock or debt obligation continuously from the date of such acquisition to the last day of the calendar year in which such ownership requirement is first met.

On page 54, at the beginning of line 23, to insert:

For purposes of subparagraph (A), any foreign corporation or foreign partnership which is regularly engaged in the business of accepting deposits from customers and receiving other borrowed funds in foreign currencies and making loans in such currencies shall be treated as a commercial bank.

On page 57, line 7, after the word "for", to insert "money or other"; in line 9, after the word "developed", to strike out "countries." and insert "countries; or"; after line 9, to insert:

(4) stock or a debt obligation of a foreign issuer or obligor, to the extent that such acquisition is required as a reinvestment within a less developed country by the terms of a contract of sale to, or of a contract of indemnification with respect to the nationalization, expropriation, or seizure by, the government of such less developed country or a political subdivision thereof, or an agency or instrumentality of such government, of property owned within such less developed country or such political subdivision by such United States person, or by a controlled foreign corporation (as defined in section 957) more than 50 percent of the total combined voting power of all classes of stock entitled to vote of which is owned (within the meaning of section 958) by such United States person, but only if such contract was entered into because the government of such less developed country or political subdivision, or such agency or instrumentality—

(A) has nationalized or has expropriated or seized or has threatened to nationalize or to expropriate or seize, a substantial portion of the property owned within such less developed country or such political subdivision by such United States person or such controlled foreign corporation; or

(B) has taken action which has the effect of nationalizing or of expropriating or seizing, or of threatening to nationalize or to expropriate or seize, a substantial portion of the property so owned.

For purposes of this subsection, an instrumentality of the government of a less developed country or a political subdivision thereof includes a corporation or other entity with respect to which such government, or any agency of such government, owns more than 50 percent of the total combined voting power of all classes of stock entitled to vote or, in the case of a corporation or other entity not issuing shares of stock, has the authority to elect or appoint a majority of the board of directors or equivalent body of such corporation or other entity.

On page 59, line 6, after the word "bloc)", to insert "or any possession of the United States"; in line 20, after the word "An", to strike out "oversea" and insert "overseas"; on page 61, line 3, after the word "paragraph", to strike out "(2)" and insert "(3)"; after line 5, to stike out:

(B) has gross income 80 percent or more of which is derived from sources within less developed countries, and has assets 80 percent or more in value of which consists of property described in clauses (iii), (iv), and (v) of section 955(c)(1)(B);

And, in lieu thereof, to insert:

(B) derives 80 percent or more of its gross income, if any, from sources within less developed countries, or from deposits in the United States with persons carrying on the banking business, or both, and has assets 80 percent or more in value of which consists of—

(i) money, and deposits in the United States with persons carrying on the banking business,

(ii) stock or debt obligations of any other less developed country corporation,

(iii) debt obligations of a less developed country,

(iv) investments which are required because of restrictions imposed by a less developed country,

(v) debt obligations described in paragraph (3) of subsection (a) of this section, and

(vi) obligations of the United States.

On page 62, at the beginning of line 6, to strike out "except that in" and insert "In"; after line 9, to insert:

(2) SPECIAL RULES.—

(A) For purposes of subparagraphs (A) and (B) of paragraph (1), property described in section 956(b)(1) (regardless of when acquired), other than deposits with persons carrying on the banking business, and income derived from such property, shall not be taken into account.

(B) For purposes of subparagraph (A) of paragraph (1), obligations of any other less developed country corporation shall be taken into account under section 955(c)(1)(B)(iii) without regard to the period remaining to maturity at the time of their acquisition.

(C) For purposes of subparagraph (B) of paragraph (1), deposits outside the United States (other than deposits in a less developed country) with persons carrying on the banking business, and income from such deposits, shall not be taken into account.

On page 63, at the beginning of line 3, to strike out "(2)" and insert "(3)"; at the beginning of line 12, to strike out "(3)" and insert "(4)"; on page 64, line 3, after the word "paragraph", to strike out "(2)" and insert "(3)"; in line 6, after the word "paragraphs", to strike out "(2)" and insert "(3)"; at the beginning of line 13, to strike out "(4)" and insert "(5)"; in line 22, after the word "paragraph", to strike out "(2)" and insert "(3)"; on page 65, line 1, after the word "paragraphs", to strike out "(2)" and insert "(3)"; in line 7, after "(c)", to strike out "(4)" and insert "(5)"; in line 14, after "(c)", to strike out "(2)" and insert "(3)"; in line 15, after "(c)", to strike out "(3)" and insert "(4)"; on page 66, line 9, after the word "for", to insert "money or other"; in line 10, after the word "such", where it appears the second time, to insert "money or"; in line 16, after the word "such", where it appears the second time, to insert "money or"; on page 68, line 16, after the word "filing", to insert "or within such longer period after such date as may be specified in such order"; after line 17, to strike out:

(c) ORIGINAL OR NEW ISSUE.—For purposes of this section, a debt obligation shall be treated as part of an original or new issue only if acquired not later than 60 days after the date on which interest begins to accrue on such obligation, and stock shall be treated as part of an original or new issue only when it is acquired from the issuer by the United States person claiming the exclusion.

And, in lieu thereof, to insert:

(c) ORIGINAL OR NEW ISSUE.—For purposes of this section.—

(1) stock shall be treated as part of an original or new issue only when it is acquired from the issuer by the United States person claiming the exclusion; and

(2) a debt obligation shall be treated as part of an original or new issue only if acquired not later than 90 days after the date on which interest begins to accrue on such obligation, except that a debt obligation secured by a lien on improvements on real property which are under construction or are to be constructed at the time such obligation is issued (or if such obligation is one of a series, at the time the first obligation in such series is issued) shall be treated as part of an original or new issue if—

(A) such obligation is acquired not later than 90 days after the date on which interest begins to accrue on the total amount of such obligation (or if such obligation is one of a series, on the last issued of the obligations in such series); and

(B) the United States person claiming the exclusion became committed to the acquisition of such obligation not later than 90 days after the date on which interest began to accrue on any part of such obligation (or, if such obligation is one of a series, on the first obligation issued in such series).

On page 70, at the beginning of line 8, to strike out "by clear and convincing evidence" and insert "in the manner provided in this section"; in line 12, after "1963", to insert a comma and "and was a United States person eligible to execute a certificate of American ownership with respect to such acquisition"; on page 71, line 1, after the word "Commission", to strike out "stating that an acquisition was made in the regular market on such exchange (and not subject to a special contract)" and insert "in connection with an acquisition on such exchange, which does not state that such acquisition was made subject to a special contract"; on page 74, after line 4, to insert:

(f) OTHER PROOF OF EXEMPTION.—For purposes of subsection (a), if a person establishes, with respect to an acquisition, that there is reasonable cause for his inability to establish prior American ownership under subsection (b), (c), or (d), he may establish prior American ownership for purposes of this exemption by other evidence that the person from whom such acquisition was made was a United States person eligible to execute a certificate of American ownership with respect to such acquisition.

After line 15, to strike out:

(a) CREDIT OR REFUND.—The tax paid under section 4911 on the acquisition of stock or debt obligations of a foreign issuer or obligor shall constitute an overpayment of tax to the extent that such stock or debt obligations—

(1) PRIVATE PLACEMENTS.—Are acquired by an underwriter from the foreign issuer or obligor (or from a person or persons controlling; controlled by, or under common control with such issuer or obligor) and are sold directly by the underwriter to persons other than United States persons in transactions not involving a public offering;

(2) PUBLIC OFFERINGS.—Are acquired by an underwriter for distribution in connection with a public offering by a foreign issuer or obligor (or a person or persons controlling, controlled by, or under common control with such issuer or obligor) and are sold as part of such public offering by the underwriter (including sales by other United States persons participating in the distribution of the stock or debt obligations acquired by the underwriter) to persons other than United States persons; or

(3) CERTAIN DEBT OBLIGATIONS.—Consist of debt obligations acquired by a dealer in the ordinary course of his business and sold by the dealer to persons other than United States persons within 90 days after (or, in the case of short sales, within 90 days before) their acquisition.

Under regulations prescribed by the Secretary or his delegate, credit or refund (without interest) shall be allowed or made with respect to such overpayment.

And, in lieu thereof, to insert:

(a) CREDIT OR REFUND.—The tax paid under section 4911 on the acquisition of stock or debt obligations of a foreign issuer or obligor shall constitute an overpayment of tax to the extent that such stock or debt obligations—

(1) PRIVATE PLACEMENTS AND PUBLIC OFFERINGS.—Are acquired by an underwriter in connection with a private placement or a public offering by a foreign issuer or obligor (or a person or persons directly or indirectly controlling, controlled by, or under common control with such issuer or obligor) and are sold as part of such private placement or public offering by the underwriter (including sales by other underwriters who are United States persons participating in the placement or distribution of the stock or debt obligations acquired by the underwriter) to persons other than United States persons;

(2) CERTAIN DEBT OBLIGATIONS.—Consist of debt obligations—

(A) acquired by a dealer in the ordinary course of his business and sold by him, within 90 days after their purchase, to—

(i) persons other than United States persons, or

(ii) another dealer who resells them on the same or the next business day to persons other than United States persons; or

(B) acquired by a dealer in the ordinary course of his business to cover short sales made by him, within 90 days before their purchase, to—

(i) persons other than United States persons, or

(ii) another dealer who resold them on the same or the next business day to persons other than United States persons; or

(3) CERTAIN STOCK.—Consist of stock—

(A) acquired by a dealer in the ordinary course of his business and sold by him on the day of purchase or on either of the two succeeding business days to persons other than United States persons; or

(B) acquired by a dealer in the ordinary course of his business to cover short sales made by him on the day of purchase or on either of the two preceding business days to persons other than United States persons.

Under regulations prescribed by the Secretary or his delegate, credit or refund (without interest) shall be allowed or made with respect to such overpayment. For purposes of paragraphs (2) and (3) of this subsection and for purposes of paragraph (3) of subsection (b), the day of purchase or sale of any stock or debt obligation is the day on which an order to purchase or to sell, as the case may be, is executed.

At the top of page 78, to strike out:

(b) EVIDENCE TO SUPPORT CREDIT OR REFUND.—An underwriter or dealer claiming credit or refund under this section shall file with the return required by section 6011(d) on which credit is claimed, or with the claim for refund, such information as the Secretary or his delegate may by regulations prescribe. Credit or refund shall not be allowed with respect to stock or debt obligations sold by a United States person participating in the distribution of the stock or debt obligations acquired by an underwriter unless the underwriter establishes by clear and convincing evidence that such stock or debt obligations were sold to persons other than United States persons. For purposes of the preceding sentence, a certificate of sales to foreign persons (executed in such manner by the United States person making such sales, filed in such manner, and setting forth such information, as the Secretary or his delegate may by regulations prescribe) shall be conclusive proof for purposes of the credit or refund that such sales were made to a person other than a United States person unless the underwriter relying upon the certificate has actual knowledge that the certificate is false in any material respect. In any case where two or more underwriters form a group for the purpose of purchasing and distributing (through resale) stock or debt obligations of a single foreign issuer or obligor, the filing of a certificate of sales to foreign persons by any one of such underwriters may, to the extent provided by regulations prescribed by the Secretary or his delegate, constitute the filing of such certificate for all of such underwriters.

And, in lieu thereof, to insert:

(b) EVIDENCE TO SUPPORT CREDIT OR REFUND.—

(1) IN GENERAL.—Credit or refund shall be allowed to an underwriter or dealer under subsection (a) with respect to any stock or debt obligation sold by him only if the underwriter or dealer—

(A) files with the return required by section 6011(d) on which credit is claimed, or with the claim for refund, such information as the Secretary or his delegate may prescribe by regulations, and

(B) establishes that such stock or debt obligation was sold to a person other than a United States person.

In any case where two or more underwriters form a group for the purpose of purchasing and distributing (through resale) stock or

debt obligations of a single foreign issuer or obligor, any one of such underwriters may, to the extent provided by regulations prescribed by the Secretary or his delegate, satisfy the requirements of this paragraph on behalf of all such underwriters.

(2) CERTAIN SALES BY UNDERWRITERS.—For purposes of paragraph (1)(B), in the case of a claim for credit or refund under subsection (a)(1) with respect to stock or a debt obligation acquired by an underwriter and not sold by him directly to a person other than a United States person, a certificate of sale to a foreign person (setting forth such information, and filed in such manner, as the Secretary or his delegate may prescribe by regulations), executed by the underwriter who made such sale, shall be conclusive proof that such stock or debt obligation was sold to a person other than a United States person, unless the underwriter relying upon the certificate has actual knowledge that the certificate is false in any material respect.

(3) SALES OF DEBT OBLIGATIONS BY DEALERS.—

(A) SALES ON NATIONAL SECURITIES EXCHANGES.—For purposes of paragraph (1)(B), in the case of a claim for credit or refund under subsection (a)(2), the sale by a dealer of a debt obligation on a national securities exchange registered with the Securities and Exchange Commission subject to a special contract (and not in the regular market) shall be conclusive proof that such debt obligation was sold to a person other than a United States person, if such exchange has in effect at the time of the sale rules providing that—

(i) a member or member organization of such exchange selling a debt obligation as a dealer, or effecting the sale as broker of a debt obligation on behalf of a dealer, on such exchange subject to a special contract (and not in the regular market) shall furnish to the member or member organization purchasing such debt obligation as a dealer, or effecting the purchase as broker of such debt obligation on behalf of a dealer, a written confirmation or comparison stating that such sale is being made as a dealer, or on behalf of a dealer; and

(ii) if the purchaser of such debt obligation is a dealer (whether or not a member or member organization of such exchange), the terms of the contract applicable to such sale shall require the purchasing dealer to undertake to resell such debt obligation on the day of purchase or the next business day to a person other than a United States person.

A dealer who acquires a debt obligation in a transaction in which a written confirmation or comparison described in clause (i) is furnished shall not be entitled to a credit or refund under subsection (a)(2) with respect to his acquisition of such debt obligation unless he establishes that such debt obligation was sold by him on the day on which it was purchased or the next business day to a person other than a United States person.

(B) OVER-THE-COUNTER SALES.—For purposes of paragraph (1)(B), in the case of a claim for credit or refund under subsection (a)(2) with respect to a debt obligation sold in a transaction not on a national securities exchange, a written confirmation furnished by a member or member organization of a national securities association registered with the Securities and Exchange Commission stating that such member or member organization—

(i) effected the purchase as broker of a debt obligation on behalf of a person other than a United States person, or

(ii) purchased a debt obligation which he resold on the day of purchase or the next business day to a person other than a United States person,

shall be conclusive proof that such debt obligation was sold to a person other than a United States person (unless the dealer relying upon the confirmation has actual knowledge that the confirmation is false in any material respect), if such association has in effect at the time of the purchase rules providing that a member or member organization who effects a purchase of, or purchases, a debt obligation from a dealer who notifies such member or member organization that such debt obligation is being sold by such dealer and that such dealer intends to claim a credit or refund under subsection (a)(2), shall furnish to such dealer a written confirmation stating that the purchase of such debt obligation was (or was not) effected by such member or member organization on behalf of a person other than a United States person, or that such debt obligation was (or was not) sold by such member or member organization on the day of purchase or the next business day to a person other than a United States person.

(4) SALES OF STOCK BY DEALERS.—For purposes of paragraph (1)(B), in the case of a claim for credit or refund under subsection (a)(3), the sale by a dealer of stock on a national securities exchange registered with the Securities and Exchange Commission subject to a special contract (and not in the regular market) shall be conclusive proof that such stock was sold to a person other than a United States person, unless such dealer has actual knowledge at the time of such sale that the purchaser of such stock is a dealer (whether or not a member or member organization of such exchange).

On page 84, line 12, after the word "of", to strike out "the National Association of Securities Dealers" and insert "a national securities association registered with the Securities and Exchange Commission"; in the heading in line 19, after "SEC. 4920.", to strike out "Definitions." and insert "Definitions and Special Rules."; on page 86, line 8, after the word "obligor", to strike out "means" and insert "mean"; on page 87, line 13, after the word "date", to strike out "of such election" and insert "on which such election is made"; on page 88, after line 15, to strike out:

A foreign corporation (other than a company registered under the Investment Company Act of 1940) shall not be considered a foreign issuer with respect to any class of its stock which is traded on one or more national securities exchanges registered with the Securities and Exchange Commission, if the trading on such national securities exchanges constituted the principal market for such class of stock during the calendar year 1962 and if, as of the latest record date before July 19, 1963, more than 50 percent of such class of stock was held of record by United States persons.

On page 90, line 3, after the word "any", to strike out "State." and insert "State, except that such terms do not include a branch office of such a corporation or partnership located outside the United States if—"; after line 6, to insert:

(A) such corporation or partnership (without regard to the activities of such office) is a dealer (as defined in section 4919(c)(2));

(B) such office (which is operated by employees or partners of such corporation or partnership) was located outside the United States on July 18, 1963, and was regularly engaged, as a merchant, in purchasing and selling stock or debt obligations of foreign issuers or obligors with a view to the gains and profits which may be derived therefrom, for a period of not less than 12 consecutive calendar months prior to July 18, 1963;

(C) all acquisitions by such branch office of stock of foreign issuers and debt obligations of foreign obligors are made in the ordinary course of its business as such a merchant or as an underwriter (as defined in section 4919(c)(1));

(D) such office maintains separate books and records reasonably reflecting the assets and liabilities properly attributable to such office; and

(E) there is in effect an election that such branch office be treated as a foreign corporation or foreign partnership for purposes of this chapter.

The election under subparagraph (E) shall be made by such corporation or partnership on or before the 60th day after the date of the enactment of this chapter under regulations prescribed by the Secretary or his delegate. A separate election may be made with respect to each branch office of such corporation or partnership. Such election shall be effective as of July 18, 1963, and shall remain in effect until revoked in accordance with such regulations. If, at any time, a branch office ceases to meet the requirements of subparagraphs (A), (C), or (D), the election with respect to such office shall thereupon be deemed revoked. When an election is revoked, a new election under subparagraph (E) may be made subject to such conditions and limitations as may be prescribed by the Secretary or his delegate.

On page 93, line 4, after the word "demand", to insert "(including any bank deposit)"; after line 11, to insert:

(8) FOREIGN STOCK ISSUES TREATED AS DOMESTIC.—

(A) IN GENERAL.—A foreign corporation (other than a company registered under the Investment Company Act of 1940) shall not be considered a foreign issuer with respect to any class of its stock if, as of the latest record date before July 19, 1963, more than 65 percent of such class of stock was held of record by United States persons.

(B) STOCK TRADED ON NATIONAL SECURITIES EXCHANGES.—A foreign corporation (other than a company registered under the Investment Company Act of 1940) shall not be considered a foreign issuer with respect to any class of its stock which is traded on one or more national securities exchanges registered with the Securities and Exchange Commission, if the trading on such national securities exchanges constituted the principal market for such class of stock during the calendar year 1962 and if, as of the latest record date before July 19, 1963, more than 50 percent of such class of stock was held of record by United States persons.

(b) SPECIAL RULE FOR FOREIGN UNDERWRITERS.—A partnership or corporation which is not a United States person and which participates, as an underwriter in an underwriting group that includes one or more United States persons, in a public offering of stock or debt obligations of a foreign issuer or obligor shall, if such partnership or corporation so elects and subject to such terms and conditions as the Secretary or his delegate may prescribe by regulations, be treated as a United States person for purposes of this chapter with respect to its participation in such public offering.

On page 94, at the beginning of line 19, to strike out "(b)" and insert "(c)"; on page 96, at the beginning of line 1, to strike out "issuer or obligor" and insert "person from whom the acquisition was made"; at the beginning of line 4, to strike out "or other signed document setting forth" and insert "draft purchase contract, or other document setting forth, or referring to a document sent by the foreign person from whom the acquisition was made which set

forth"; in line 11, after the word "conditions;", to strike out "or"; after line 11, to insert:

(C) if, on or before July 18, 1963, the acquiring United States person—

(i) had entered into a contract for the sale to the government of a less developed country or a political subdivision thereof, or an agency or instrumentality of such government (within the meaning of section 4916(a)), of property owned within such less developed country or political subdivision by such person or by a controlled foreign corporation (as defined in section 957) more than 50 percent of the total combined voting power of all classes of stock entitled to vote of which was owned (within the meaning of section 958) by such person, or of stock or debt obligations of such a controlled foreign corporation which was actively engaged in the conduct of a trade or business within such less developed country; or had entered into a contract of indemnification with respect to the nationalization, expropriation, or seizure of such property or of such stock or debt obligations by the government of a less developed country or political subdivision thereof, or an agency or instrumentality of such government (within the meaning of section 4916(a)), or

(ii) had sent or deposited for delivery to the government of a less developed country or political subdivision thereof, or an agency or instrumentality of such government (within the meaning of section 4916(a)), a commitment letter, memorandum of terms, or other document setting forth the principal terms of a contract described in clause (i),

to the extent such acquisition is required by the terms of the contract as a reinvestment within such less developed country of amounts equal to part or all of the consideration received under the contract:

On page 97, at the beginning of line 24, to strike out "(C)" and insert "(D)"; on page 98, line 9, after the word "be", to strike out "made." and insert "made; or"; after line 9, to insert:

(E) of stock in the initial capitalization of a foreign corporation which would be excluded from tax under section 4915 of the Internal Revenue Code of 1954 but for the provisions of subsection (c) thereof, if at least 75 percent in interest of the United States persons who acquired stock in such initial capitalization had signified on or before July 18, 1963, to the person coordinating the organization of such corporation the intention to invest a specified amount of money through the purchase of such stock, which amount was equal to or greater than the amount ultimately so invested.

On page 100, line 8, after "(6)", to strike out "Options and Foreclosures" and insert "Options, Foreclosures, and Conversions"; in line 25, after the word "subparagraph", to strike out "(D)" and insert "(C), (D)"; on page 102, line 3, after the word "and", to strike out "shall be accompanied by clear and convincing evidence showing that the acquisitions are so exempt" and insert "shall, with respect to each such acquisition, be accompanied either (A) by a certificate of American ownership which complies with the provisions of section 4918(e), or (B) in the case of an acquisition for which other proof of exemption is permitted under section 4918(f), by a statement setting forth a summary of the evidence establishing such exemption and the reasons for the person's inability to establish prior American ownership under subsection (b), (c), or (d) of section 4918."

On page 103, after line 3, to strike out:

(3) REPORTING REQUIREMENTS FOR MEMBERS OF EXCHANGES AND ASSOCIATIONS.—Members of member organizations of national securities exchanges and national securities associations registered with the Securities and Exchange Commission shall keep such records and file such information as the Secretary or his delegate may by regulations prescribe in connection with sales effected by such members or member organizations as brokers, and acquisitions made for their own accounts, of stock or debt obligations as to which a certificate of American ownership or blanket certificate of American ownership is executed and filed as described in section 4918(e).

And, in lieu thereof, to insert:

(3) REPORTING REQUIREMENTS FOR MEMBERS OF EXCHANGES AND ASSOCIATIONS.—Every member or member organization of a national securities exchange or of a national securities association registered with the Securities and Exchange Commission shall keep such records and file such information as the Secretary or his delegate may by regulations prescribe in connection with acquisitions and sales effected by such member or member organization as a broker, and acquisitions made for the account of such member or member organization, of stock or debt obligations—

(A) as to which a certificate of American ownership or blanket certificate of American ownership is executed and filed with such member or member organization as prescribed under section 4918(e); and

(B) as to which a written confirmation is furnished to a United States person stating that the acquisition—

(i) in the case of a transaction on a national securities exchange, was made subject to a special contract, or

(ii) in the case of a transaction not on a national securities exchange, was from a person who had not filed a certificate of American ownership with respect to such stock or debt obligation or a blanket certificate of American ownership with respect to the account from which such stock or debt obligation was sold.

On page 106, after line 10, to insert a new section, as follows:

SEC. 5. ORIGINAL ISSUE DISCOUNT.

Section 1232(b)(2) (relating to definition of issue price) is amended by inserting before the period at the end of the second sentence thereof the following: "increased by the amount, if any, of tax paid under section 4911 (and not credited, refunded, or reimbursed) on the acquisition of such bond or evidence of indebtedness by the first buyer".

At the beginning of line 18, to change the section number from "5" to "6"; on page 108, line 11, after the word "member", to insert "or member organization"; on page 109, line 6, after the numerals "4919", to strike out "(b)" and insert "(b)(2)"; in line 9, after the word "acquisition", to strike out "of the stock or debt obligation involved which, but for the provisions of section 4919(b), would be payable by the underwriter acquiring the stock or debt obligation" and insert "by the underwriter of the stock or debt obligation with respect to which such certificate is executed"; after line 14, to insert:

(d) FALSE CONFIRMATIONS OR COMPARISONS FURNISHED BY DEALERS.—

(1) MEMBERS OF NATIONAL SECURITIES EXCHANGES.—A member or member organization of a national securities exchange described in section 4919(b)(3)(A) who, in a transaction subject to the rules of such exchange as described in such section, willfully furnishes a written confirmation or comparison which contains a misstatement of material fact or which fails to state a material fact shall be liable to a penalty equal to 125 percent of the amount of the tax imposed by section 4911 on the acquisition of the debt obligation by the dealer for whose benefit such confirmation or comparison is furnished.

(2) DEALERS.—Any person who sells as a dealer a debt obligation in a transaction subject to the rules of a national securities exchange as described in section 4919(b)(3)(A), in which such sale is effected on his behalf by a member or member organization of such exchange, and who willfully fails to disclose to such member or member organization that such sale is being made by him as a dealer, shall be liable to a penalty equal to 125 percent of the amount of the tax imposed on his acquisition of such debt obligation.

(3) MEMBERS OF NATIONAL SECURITIES ASSOCIATIONS.—A member or member organization of a national securities association described in section 4919(b)(3)(B) who willfully furnishes a written confirmation described in such section (in a transaction subject to the rules of such association as described in such section) which contains a misstatement of material fact or which fails to state a material fact shall be liable to a penalty equal to 125 percent of the amount of the tax imposed by section 4911 on the acquisition of the debt obligation by the dealer for whose benefit such confirmation is furnished.

On page 111, at the beginning of line 4, to strike out "(d)" and insert "and (e)"; in line 16, after the word "who", to insert "on or after the date of the enactment of the Interest Equalization Tax Act"; and in line 21, after the numerals "4919", to strike out "(b)" and insert "(b)(2)".

Mr. LONG of Louisiana. Mr. President, one of the most serious and difficult problems faced by this country in recent years has been the continuing deficit in our international balance of payments. We have heard and read a great deal about it ever since 1958, but unfortunately there is still far too little general understanding of its importance.

It is generally acknowledged that progress has been made in reducing the size of the deficit—which was running at an annual average of $3.7 billion in the period from 1958 to 1960. Thanks to this administration's broad and vigorous attack on the problem, the deficit was cut to an average annual rate of $2.4 billion for the 1961–63 period.

Furthermore, the U.S. gold outflow, directly related to our balance-of-payments position, has been sharply curtailed. Averaging $1.7 billion during the 1958–60 period, it was cut to an average of about $700 million in the 1961–63 period. Further improvement is expected to be reflected when the figures are in for the first half of this year.

Encouraging as this improvement is, it still falls far short of our basic objective—elimination of the deficit entirely. We still have a long way to go in what amounts to an all-out drive to achieve equilibrium in our international payments position. The patient has indeed

"improved," but his condition is still "critical."

All of us, Mr. President, have a vital stake in the outcome of this campaign—whose success, or failure, involves nothing less than the continued soundness and stability of the dollar. All of us, Mr. President, have an important role to play: the businessman who increases his exports, the administration that reduces oversea expenditures of various sorts, and the Congress that enacts urgently needed legislation to keep our economy expanding. But, unfortunately, this Nation has made a habit of acting too late and too little with regard to our balance-of-payments problem and now finds it necessary to bail ourselves out of trouble by the temporary imposition of an interest equalization tax.

H.R. 8000, passed by the House with a large majority on March 5, provides for an interest equalization tax, IET—a transitional, short-term measure aimed directly at the most severe and heretofore untouched drain on our overall payments position. We have begun to shore up our defenses in many other directions but, short of the proposed IET, we have been completely unable to reduce the demands on our capital market from the other industrialized countries of the free world.

The main reason that the IET is so vital to us now is that we need it as an interim remedial device while other measures which are more acceptable as long-range solutions are initiated and allowed to take effect. The fact that some of these other remedial measures are perhaps sadly overdue does not distract from the fact that they are not now in effect and that the IET presents the best method of filling in the gap until these other programs can be brought into play.

Without the interim beneficial effect which will be provided by IET, we would sink deeper and deeper into the quicksand of deficits in our balance of payments. In other words, without IET in operation between July 19 of last year and the end of 1965, those other more permanent remedial measures which are now only being initiated would have just that many more billions of dollars to recoup before they could return this country to solid ground with respect to our balance of payments.

Mr. President, let me describe the order of magnitude of this outflow during the days just preceding the proposal that an IET be levied. The IET was first proposed by President Kennedy in his special balance-of-payments message of July 18, 1963. In the 18-month period preceding this message the rate at which new issues of foreign securities were being sold in this country had more than tripled over the previous 18 months. The volume during the first 6 months of 1963 reached an annual rate of $2 billion. This swelling foreign demand on our capital market, which showed no sign of cresting, literally threatened to swamp the progress that was being made in all other areas of our balance of payments. In the first half of 1963 it pushed our overall deficit on regular transactions to an annual rate of $5 billion.

Clearly something had to be done to contain this deluge.

There were two contributing factors:

First, there was the factor of long-term interest rates. Although these long-term rates in the United States were and still are quite high by this Senator's standards, they were nevertheless lower than long-term rates prevailing in other world markets and therefore tended to attract foreign borrowers. Second, there was the lack of fully developed capital markets abroad.

There was—and is—little we can do directly about the latter, beyond encouraging—as the administration has—the speediest possible formation of adequate capital markets oversea—especially in the fully developed industrial nations of Europe.

On the other hand, a sharp increase in long-term interest rates here—on the order of 1 percent—might possibly have turned the tide—diverting some foreign borrowers to other existing capital markets and in turn attracting some additional foreign investment capital here.

However, our interest rates are already so high as to be causing a great deal of harm to our rate of consumption and our rate of economic expansion. This Senator hates to think of the crippling effect of adding a whole percentage point to our already excessive long-term interest rates. The cure in a case such as this would have been worse than the disease. To affect so large an increase in long-term interest rates here would be totally inconsistent with the host of other measures—such as the recent tax cut—we have recently undertaken to stimulate the private sector of our economy. It would require a drastic and ruinous tightening of credit, the likes of which we have not seen in many years. It would result in a level of long-term interest rates substantially above the peaks of the late 1920's. It would bring more unemployment, more small business failures, and a great amount of general economic hardship.

It would be foolhardy to reduce individual and corporate income taxes to spur private demand, consumption, and investment one day—only to turn around the following day and drastically increase the cost of financing this long-sought expansion and growth of our private enterprise economy.

Moreover, a general increase in long-term interest rates in the United States would be self-defeating in the very campaign in which they were employed. I believe that the only successful, long-term solution to our balance-of-payments problem lies in the expansion of economic activity, productivity, and profitability within the United States—not by an increase but by a reduction in the cost of credit. In order to compete abroad, to open up additional markets overseas, and thereby expand exports, we must not only maintain price stability here at home but also operate from the most efficient, modern production facilities available. It requires considerable private capital investment, in plant and equipment and jobs, here at home, to achieve and maintain this kind of economic environment.

And we need to stimulate the incentive for their investment so that our capital will be used to make jobs at home and to attract more capital from abroad by offering to investors the opportunities which come hand in hand with an expanding economy.

We should not make more costly and thereby reduce the incentives for such domestic investment here by arbitrarily increasing the long-term interest rates that American businessmen, and prospective American homebuyers, will have to pay.

That is why, Mr. President, the interest equalization tax has been proposed. It meets a serious external balance-of-payments problem at which it was aimed—rising portfolio capital outflows from the United States—without in any way conflicting with essential, internal considerations—the preservation of low long-term interest rates for domestic borrowers.

Of all possible answers to our present needs and circumstances, the most workable, and the most acceptable is provided by the measure which is now before the Senate. It is a proposal to reduce the American investments in foreign stocks and bonds by the imposition of a so-called interest equalization tax. What it amounts to is that there will be a tax of 1 percent per year on stocks and bonds purchased by Americans since July 18, 1963. The tax is administered as though it were a sales tax, resulting in a reduction of the net rate of return on the foreign securities by about 1 percent per annum.

It is the feeling of the Department of the Treasury that this small amount of tax is adequate to close the gap between higher interest rates in Europe and Japan as against the lower interest rates in the United States. The tax does not apply to the so-called undeveloped countries and special provision is made to protect Canada. American companies making direct investments are generally exempt, and the committee has voted to exempt or provide relief for practically every American concern which has any legitimate case of prospective hardship to present to the committee.

This proposed interest equalization tax amounts to an excise tax levied on Americans purchasing directly from a nonresident foreigner a new or outstanding foreign stock or debt issue maturing in 3 years or more. Though the tax itself is payable by the American purchaser of foreign securities, its impact will be largely passed on to the foreign issuer in reduced prices for his securities. Trading among Americans in the $12 billion foreign securities already in this country would not be taxed in any way.

H.R. 8000 provides for a graduated rate of tax on foreign securities sold here. Its net effect increases by about 1 percent the annual cost to a foreigner of raising money in our capital market—bringing his costs here more in line with the costs he would face it he sought to raise capital in markets abroad.

By making our capital market more costly to foreign borrowers, the interest equalization tax neutralizes the strong incentives for foreigners to borrow here. As a consequence, potential foreign borrowers will no longer automatically look to the United States capital market for needed funds but will turn to their own or other foreign markets, thereby reducing this severe strain on our balance-of-payments position.

Fortunately, Mr. President, we are not faced here with the necessity of voting on a theoretical measure, an untried and untested tax proposal that might or might not be helpful. We already have seen how successfully it has worked. President Kennedy proposed that this tax become generally effective July 19, 1963—the day following its announcement in his balance-of-payments message.

The results since then are impressive evidence of the effectiveness of this tax. Remember the deficit on regular transactions was running at a rate of $5 billion during the 6 months prior to the President's message. During the second half of the year the rate dropped sharply to $1.6 billion. In the first quarter of this year it declined to about $700 million.

There are, certainly, a number of factors—including a healthy increase in exports—that help account for the overall improvement of our balance of payments since last July. But the largest single element in this improvement has been the unmistakably sharp drop in net purchases of foreign securities. The figures speak for themselves. During the 9 months preceding the tax proposal, capital outflows into foreign securities amounted to $1,985 million at seasonally adjusted annual rates. In the 9 months since the announcement, these outflows have amounted to only $290 million at seasonally adjusted annual rates.

This, Mr. President, represents a reduction of $1.7 billion in the annual rate of outflow—clear evidence of the effectiveness of this tax. As Secretary Dillon told the Finance Committee:

> Already a sizable number of new issues have been diverted to European markets, where they have been absorbed by countries in a strong balance-of-payments position. Under the stimulus of the tax, European markets have shown that they are capable both of handling their own internal needs in more adequate fashion and of meeting a larger portion of foreign needs.

In fact, Mr. President, may I interject an observation that the prospect that this tax would be enacted during the current session of Congress has had such a beneficial effect on our balance-of-payments position that some argument is now being made that the actual levy of the tax is no longer needed. However, it would be a serious breach of honor and it would place a great windfall advantage on the side of those who decline to take the word of our President at face value in international matters if we did not now levy the tax. Hundreds of millions, perhaps billions, of dollars of investment capital have been rerouted or otherwise affected by the prospect of this tax; and it would be grossly unfair to those who have acted under this assumption to now abandon plans to enact this proposed legislation.

Mr. President, this is a well-drafted, carefully considered, and proven measure. It directly and effectively meets a problem we simply cannot afford to ignore. It was not conceived of and is not presented as a permanent tax. The bill provides for a termination date, December 31, 1965, for this special tax. By that time it should have fully served its purpose and should be no longer necessary.

But until that time—until our own balance-of-payments deficit has been much more substantially reduced—we need the protection, the defense, that the bill provides. Separate provisions of H.R. 8000 make certain the measure will in no way hamper, or make more costly, normal and necessary export financing, nor restrict highly desirable private U.S. investment in the less developed countries of the world. Nor will it interfere with the business decisions involved in direct investment.

Mr. President, H.R. 8000 represents, if you please, a "golden" opportunity—an opportunity to protect our gold stocks, to shore up our defenses against the continuing outflow of portfolio capital which, ultimately, stacks up abroad as a demand-threat on our gold supply.

We are not engaged in commerce here. We cannot, directly, do much here to increase an export item, to invest in, equip and operate a plant whose products, sold abroad, will reduce our balance-of-payments deficit. But we can, Mr. President, as responsible legislators, directly affect the outcome of this continuing campaign on the balance-of-payments front by enacting this bill which has demonstrably done so much to shore up our most vulnerable flank.

Mr. President, Senators are all aware that the United States today is suffering a serious outflow of its gold reserves, which could impair the stability and the value of the dollar. This situation has been brought about by a combination of factors. The maintenance of large numbers of American troops on European soil since 1948 has been a major contributing factor, although measures have recently been taken to reduce the burden on our gold supply resulting from this factor. The $100 billion of foreign aid since World War II has contributed heavily to the fact that foreign citizens and countries now hold enough dollars "to empty Fort Knox," as the expression goes, if they see fit to call upon us for gold payment.

As I have already indicated, Mr. President, there are a number of steps which can be taken to correct our unfavorable balance of payments. One of them would be to grant additional subsidies to American shipping to drastically increase the proportion of world cargo tonnage which is carried in American bottoms on the high seas. We could further reduce foreign aid by completely eliminating those types of aid which produce direct or indirect drains on our dollars. Similarly, we could cease giving away commodities which we might be able to sell on credit or at reduced prices. We could place further restrictions on the spending of American tourists abroad. We could place greater control on the importation of foreign oil. None of these measures are presently in prospect of generating enough support to bring them about anytime soon. All of those measures are, in my judgment, preferable by far to a general increase in interest rates, which this Senator refuses even to consider as an alternative.

The measures which are now being initiated by the administration cannot possibly accomplish the sorely needed results soon enough to prevent further injury to our balance-of-payments posture during the next 18 months.

As I say, Mr. President, I would have preferred other measures to meet this same problem, but meet it we must if we are to discharge our responsibility of protecting the value of the dollar and managing our monetary system. Upon that basis, it is my hope that the Senate will pass the bill with the amendment proposed by the Committee on Finance.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LONG of Louisiana. Mr. President, there are a number of committee amendments to the bill. In order that the Senate may proceed expeditiously with them, I ask unanimous consent that the committee amendments be agreed to en bloc, and that they be considered as original text for the purpose of amendment, just as all other original texts are subject to amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS

Mr. LONG of Louisiana. Mr. President, there are at least two important committee meetings taking place that Senators desire to attend. For that reason, there will not be adequate representation on the floor to do business in the next 15 or 20 minutes. Therefore, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair, for not to exceed one-half hour.

The PRESIDING OFFICER. Is there objection?

There being no objection (at 3 o'clock and 38 minutes p.m.) the Senate took a recess, subject to the call of the Chair.

On the expiration of the recess, at 4 o'clock and 5 minutes p.m., the Senate reassembled, and was called to order by the Presiding Officer (Mr. MCINTYRE in the chair.)

Mr. CARLSON. Mr. President, I am not insensitive to the balance-of-payments problem, but I believe, in view of the progress which has been made in the annual reduction of the net deficit in our balance of payments, that we should think twice before we pass the interest equalization tax.

The average net deficit in our balance of payments for the years 1958–60 was $3.7 billion; for 1961 it was $2.4 billion; for 1962 it was $2.2 billion; for 1963 it was $1.9 billion, and for the first quarter of 1964 it was $200 million.

The Federal Reserve report shows that the U.S. gold supply declined by $70 million in June, although there was a net gain of $27 million for the first 6 months of the year.

The supply of monetary gold fell by about $250 million in the last 6 months of 1963.

The net gain in the first half of the year was due primarily to an unusual addition of $177 million to the stock in April. The $32 million gain in March was the only other month on the credit side this year.

In presenting my views, I do not wish to belittle the valiant efforts made by our Government to control the balance-of-payments deficit. The Secretary of the Treasury, Mr. Dillon, the Secretary of Defense, Mr. McNamara, and the AID Administrator, Mr. Bell, are to be commended for the aggressive initiative they have taken to control Government expenditures abroad.

The Treasury Department's attempts to stabilize the dollar's exchange value by a series of ingenious moves have been brilliantly executed.

I realize that these programs have played an important role in the reduction of our balance-of-payments problem and have not completely eliminated it.

First, I believe that we should think twice before we enact this proposed legislation, because I believe that our flow of capital between countries should be strengthened and not retarded by the passage of this act.

Our Nation has entered into a program of an expanded and freer trade among the nations of the world, and the enactment of this bill would be the exact reverse of this policy.

It seems highly doubtful whether this interest equalization tax can increase U.S. revenue. It is hard to believe that the objective of equalizing the tax can be obtained. Standards of interest rates vary the world over. It is impossible to equalize the interest rates of various capital markets of the world with the rate adopted in the United States.

When viewed in the light of greater cooperation and expanding markets between our Nation and other countries, this tax runs counter to the liberalization policy of the United States. It seems strange, therefore, to find the administration continuing to urge the interest equalization tax, which is out of step with the trend toward international cooperation, inconsistent with other U.S. policies in the international field, and alien to our own history of promoting full capital movement.

The second reason why I believe that we should think twice is the fact that U.S. exports for 1964 are expected to reach a record of $24.5 billion—up 10 percent from last year.

With imports running at a rate of about $18 billion, this country should end the year with a trade surplus of more than $6 billion—the best showing in years. This should offset, partially, the outflow of $7 to $8 billion for military and AID programs. I realize that at this time our free world's political and military defenses require substantial outlays of money and I am not suggesting that we withdraw these commitments.

I am suggesting, however, that we continue the expanded use of international organizations, such as the International Monetary Fund and the multilateral agreements for strengthening foreign currencies. These and other programs have proven their value in dealing with our balance-of-payments problem.

The third reason why I think we should think twice before we approve this legislation is the fact that Europe, at present, is confronted with inflationary pressures that threaten the stabilizing of its financial structure and an inflationary price level that could have repercussions in our own country.

Some of the financial specialists in Europe lay part of the blame on the U.S. tax of up to 15 percent on foreign security purchases by Americans from foreigners. A large volume of investments have been withdrawn from Europe by Americans since the tax was imposed.

No doubt some of the foreign governments will take drastic steps to prevent the inflationary trend, and when they do, our Nation could suffer some rather serious consequences.

The balance-of-payments dilemma as a fact of international economic life is not a temporary problem, but is a subject that will require regular and thoughtful attention by Congress for years to come.

It was for these reasons that I called the matter to the attention of the Senate. I have great concern over the adoption of the program at this time. We should think twice before enacting this legislation.

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

Mr. CARLSON. I yield.

Mr. LAUSCHE. The Senator commended the activities of attempting to lessen the heaviness of the imbalance in our payments on international trade and stated that steps were taken to lessen it.

Could the Senator tell what those steps were?

Mr. CARLSON. As the distinguished Senator from Ohio knows, in recent years we have established an International Monetary Fund which has been used on several occasions. We also have had multilateral agreements with other countries—recently with Italy—in regard to protecting and stabilizing their currency problem.

Those are two of the programs that come to mind. I have no doubt there are others than can be and will be used in the future if necessary.

Mr. LAUSCHE. I understand that we have asked our long-term foreign debtors to pay their obligations to the United States in advance of the maturity date.

Mr. CARLSON. There are evidences that we have received the benefit of early payments from some countries in view of the difficulties we were having a year or two ago in the balance of payments.

Mr. LAUSCHE. Second, we have borrowed moneys from foreign countries in order to strengthen our gold reserve position. We borrowed from Italy, from Germany, and I believe from other countries. Is that the understanding of the Senator?

Mr. CARLSON. The Senator is absolutely correct. I regret that I do not have the figures as to the amounts. But I am familiar with those particular operations. That is what we did do on occasion in order to protect our gold supply.

Mr. LAUSCHE. What is the alternative solution of this problem, other than the equalization of interest rates through the imposition of a tax on moneys earned on foreign investment?

Mr. CARLSON. One way to really assist in our balance-of-payments problem would be to reduce our expenditures for military aid and other aid programs, which, as I stated in my remarks, are problems that we must approach with some degree of caution. We are committed to assisting these nations in a program of maintaining security for people in the world who love democracy.

Mr. LAUSCHE. Without intending to either disapprove or approve of what the Senator said, do I correctly understand that in the opinion of the Senator we are likely to encounter retaliatory action by way of foreign countries imposing a tax on moneys earned on U.S. investments?

Mr. CARLSON. It is only reasonable to assume that we are in that danger. Everyone who has studied the economic situation of Europe knows that they are going through and are threatened with a further inflationary program. If that condition should develop, it would become necessary for them to take action in regard to their currency and financial program. They could cause this Nation some real difficulty.

Mr. LAUSCHE. Is it the judgment of the Senator that the most important argument that might be raised against this measure is that it is contrary to our general declarations of the past, that the free flow of currency among the nations of the world, by means of investment, is one of the best approaches to international relations?

Mr. CARLSON. I tried to make that point in my statement. It is interesting to note that investments which are made in foreign countries by American citizens pay interest which is income to the United States of America. Let us assume an investment of $100,000 in some foreign country, paying 6 percent interest. That is $6,000. It is proposed that we stop that by a tax. But a tourist goes to Europe and spends $100. Not a cent of that money comes back. Tourist dollars stay there. They can ask for gold. Therefore I believe we are a little inconsistent in this program.

I did not say that I was opposing this proposal. I said that we ought to think twice before enacting the legislation.

Mr. LAUSCHE. Is the investment of foreigners in the United States greater or less than the investment of U.S. citizens in foreign countries?

Mr. CARLSON. I cannot answer that, except to say that I understand there are some $60 billion of foreign investment in foreign countries. I am not familiar with the amount of foreign investments in the United States.

Mr. LAUSCHE. A few days ago I asked that question of Mr. Dillon. He pointed out that the figures show that our investments are far in excess of the investments of foreign citizens in the United States.

Mr. CARLSON. It is reasonable to assume that they would be because of a great expansion of our industry and markets in these foreign countries—not only developed countries but underdeveloped countries. I assume they would be many times more than the $60 billion that I have mentioned.

Mr. LAUSCHE. Would that not mean that if retaliatory measures were taken by those nations, they would have a far greater adverse impact upon the United States than the gains that would be derived through the transaction abroad under the bill?

Mr. CARLSON. I have some concern about that. I agree with the Senator that we are treading on dangerous ground when we, as a nation, are trying to expand our trade program, trying to get international cooperation, urging everyone to get a working program to build freer trade and closer cooperation, and then putting a protective tariff on the handling of money, which is what we are doing in this bill.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 11 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. NELSON in the chair). Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate until 12 o'clock noon tomorrow.

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

REAPPORTIONMENT OF STATE LEGISLATURES

Mr. DIRKSEN. Mr. President, tomorrow every Member of the House and of the Senate will receive a letter reading as follows:

AUGUST 4, 1964.

Re reapportionment.

DEAR COLLEAGUE: The decision by the Supreme Court last month declaring the composition of six State legislatures invalid and casting doubt on the composition of all other State legislatures has resulted in a number of Members of both Houses proposing constitutional amendments dealing with the apportionment of State legislatures.

Bearing in mind the possibility that the time remaining in this session may not afford an opportunity to complete the careful study of these proposals which they merit and considering the fact that the Federal courts have indicated an intention to immediately apply this decision so as to give a State as little as 15 days to comply, as in the case of Colorado, I will introduce today a bill to provide a breathing spell and adequate time for serious consideration of these amendments.

A copy of this bill and of my statement is enclosed for your consideration. It is my intention to offer the bill as an amendment to appropriate legislation at the earliest opportunity.

Sincerely,

EVERETT MCKINLEY DIRKSEN.

Mr. President, I introduce the bill for appropriate reference. It is in the nature of an additional section to chapter 21, title 28, of the United States Code, and is entitled "Stay of Proceedings for Reapportionment of State Legislative Bodies." I ask unanimous consent that the bill be made a part of my remarks at this point as well as being referred—very properly, I think—to the Senate Judiciary Committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed at this point in the RECORD.

The bill (S. 3069) to amend title 28, United States Code, to provide for a temporary stay of proceedings in any action for the reapportionment of any State legislative body, introduced by Mr. DIRKSEN (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 21, title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 461. Stay of proceedings for reapportionment of State legislative bodies.

"Upon application made by or on behalf of any State or by one or more citizens thereof in any action or proceeding in any court of the United States, or before any justice or judge of the United States, in which there is placed in question the validity of the composition of either house of the legislature of that State or the apportionment of the membership thereof, such action or proceeding shall be stayed until the end of the second regular session of the legislature of that State which begins after the date of enactment of this section."

(b) The chapter analysis of that chapter is amended by adding at the end thereof the following new item:

"461. Stay of proceedings for reapportionment of State legislative bodies."

Mr. DIRKSEN. Mr. President, I would also like to announce that Representative MCCULLOCH will introduce this same legislation in the House today.

Mr. President, on June 15, 1964, the Supreme Court handed down a threatening series of decisions. Concentrating on Reynolds against Sims the Court said that unless the membership of each house of a State legislature is selected on the basis of one man, one vote the legislature is unconstitutionally constituted. The States involved were ordered to reapportion immediately.

Consider the case of Colorado. The people of the State of Colorado had by referendum—and I emphasize—the people by referendum accepted one apportionment plan and overwhelmingly rejected another. Yet the Court refused to accept the plan approved by the people. Under the law laid down by the Supreme Court, the Federal district court then ordered Colorado to reapportion within 2 weeks. A hastily assembled general assembly complied, only to have the State supreme court declare the new reapportionment act unconstitutional. So one may properly ask, "Where are they?" Or, "Are they?"

Another district court has ordered New York to reapportion and has, in addition, completely disregarded the State constitutional provision providing for 2-year terms of members and directed that those members elected this fall serve only during the session next spring. Then there must be another election next fall for members who will serve only 1 year and the year after that a third election. This chaos is but typical of the kind that results when the courts assume the role and function of the legislative branch of government.

I might add at that point that the day before yesterday the court in Oklahoma held that the primary election was unconstitutional, and that it must be held over again. Senators can fancy the dismay on the part of the Oklahoma Members of the House of Representatives.

That is going to be the dish for every legislature in the land.

These actions prompted many Members of the House and the Senate to introduce proposed legislation, or to propose constitutional amendments designed to retain in the people of the States the power to determine the composition of their State legislatures. Hearings are now being held on some of these measures, but obviously there is not sufficient time remaining to us in this session to complete action on a constitutional amendment. We cannot act in haste on such measures. Consequently, I feel that we have but one alternative, and that is to provide for a stay of proceedings in all cases involving the composition of State legislatures upon the request of the State or the people of a State. Only by this action will we be able in my judgment to give the subject the consideration it deserves.

Mr. SMATHERS. Mr. President, will the Senator yield so that I may ask him a question?

Mr. DIRKSEN. I should like to add one or two thoughts, and then I shall yield. I introduce the measure on behalf of myself, the distinguished Senator from Mississippi [Mr. EASTLAND], and the distinguished Senator from Mississippi [Mr. STENNIS].

Mr. President, in my judgment, there is no time in the present session to do anything with a constitutional amendment. The only thing we can do, if it is effective by statute and can get by the Supreme Court is to enact a provision about as follows:

SEC. 461. Stay of proceedings for apportionment of State legislative bodies. Upon application made by or on behalf of any

State or by one or more persons thereof in any action or proceeding in any court of the United States, or before any justice or judge of the United States, in which there is placed in question the validity of the composition of either house of the legislature of that State or the apportionment of the membership thereof, such action or proceeding shall be stayed until the end of the second regular session of the legislature of that State which begins after the date of the enactment of this section.

That is the only way in which the situation can be reached, and we can prevent the kind of chaos that is otherwise bound to ensue.

I believe I am free to say that last Thursday night I discussed the question with the President of the United States. I gave him a copy of the bill. I said that he may not like it, but I would have no choice except to add it to a bill that I was sure would reach the President's desk before this session was over. There is now pending before the Senate the interest equalization tax bill that the Treasury is desirous of having enacted, and so is the President. I can add it to that bill. I can add it as a title to the foreign aid bill. That may seem a little incongruous, but beggars cannot be choosers. As the adjournment of this session looms before us within the next 3 weeks, there might be one other choice, and that would be the social security bill, which provides for an across-the-board improvement in social security payments. But I shall have time tomorrow and tonight to bethink myself as to where the measure must go.

I know, of course, that the chairman of the committee handling whatever particular bill is selected will not be very happy about it, but we are dealing with a condition, not a theory. So I propose that that course be followed, in one way or another, even though it may be something of a slight, shall I say, to my legislative perception in having to do it, because this is a subject of far-reaching importance to every State in the Union.

The bill is now before the Senate, Mr. President. I trust that it will be referred forthwith to the Committee on the Judiciary. That committee will meet tomorrow morning, and I apprehend that, even without the benefit of witnesses, we may be able, as an emergency matter, to have the bill reported forthwith. Then I shall undertake to have it taken off the calendar and, in the form of an amendment, offer it to a bill on which I think it will have the best chance.

That procedure offers one other comfort, and that is that if we were to undertake to act by constitutional amendment, it would mean that we would have to negotiate with the House Judiciary Committee, which has already held many hearings.

It would probably have to negotiate the Rules Committee. Then it would have to take its chances on the floor of the House. If there were modifications, it would then have to go before a conference committee. There is not that much time between now and that blessed day when, like schoolchildren, we can say "School is over. The 88th Congress has come to an end."

If there is to be action, this is the only course one can pursue.

I now yield to the Senator from Florida.

Mr. SMATHERS. Mr. President, first, I should like to associate myself with the remarks which have been made by the able minority leader with respect to the question of, in effect, curtailing the authority of the Supreme Court of the United States in dealing with questions that have to do with apportionment of legislatures. As one who had studied law and had practiced some law and had had some experience with respect to the Supreme Court and what I thought it was supposed to do, I was as shocked as I am sure every other constitutional lawyer was when the Supreme Court injected itself into the field of apportionment and ruled flatly that no State could follow the so-called Federal theory and have representatives in the State legislature in a proportion that was not on a "man-for-man" basis as the Supreme Court has ruled must be done.

The Founding Fathers saw the wisdom of protecting minorities in the small States by providing that each State shall have only two U.S. Senators. If that was a sound principle for the Federal Government, it seems to me a State could arrive at the same conclusion. Most States did. My own State of Florida did. However, the Supreme Court has ruled that a State can no longer follow the particular system which was deemed to be the best system to be adopted by the Founding Fathers. I cannot but believe that the Supreme Court has erred again.

As the distinguished minority leader will recall, I wrote him a letter when I discovered that he was going to introduce a measure in the form of a constitutional amendment to limit the authority of the Supreme Court, which can be done under the Constitution, and asked him to associate me with his effort and that of other Senators who arrived at the same conclusion about the Supreme Court as he did.

Prior to this time I had wondered how we were going to accomplish this quickly in the foreseeable future, knowing that a constitutional amendment takes a long time and sometimes is difficult of accomplishment.

So I congratulate the Senator from Illinois for having come forth with an idea which seems to me ingenious, to say the least, in an effort to limit the authority of the Supreme Court and have the States run their own business, as it was intended that they do.

My State of Florida reapportioned its legislature a year and a half ago, under order of the Federal court. That apportionment was approved by the lower court. Now, in the face of the action by the U.S. Supreme Court, the people of Florida do not know where they stand, because the lower court has ruled that an apportionment program, which has been approved by the legislature under the direction of the district court, was satisfactory; but, according to the latest doctrine of the Supreme Court, it is not satisfactory. There is great chaos and confusion as to exactly what will be done when an election is held.

In my State, without exception, irrespective of the political party to which people belong, they resent the action of the Supreme Court in this particular field and think it is incorrect.

So I congratulate the distinguished minority leader and wish him success. I do not know to which bill he intends to attach this measure. I am sure, with his vast experience, that he will offer it to a bill which has the best chance of passage, and at the same time be a "mother" bill which will not be too badly hurt by having this provision added to it.

Mr. DIRKSEN. I thank the acting majority leader for his complimentary remarks and for his encouragement. This is a matter that must be done if it can be done. I trust that, when at long last I offer this measure as an amendment to one of these bills—and I shall pray tonight for wisdom and guidance to select the right one—the Senator from Florida will lend the battle his might and main and somehow topple the arguments as to why it should not be attached to that particular bill. Our choices now are limited. Since there is no germaneness rule, we must proceed in that manner.

Mr. LONG of Louisiana. Mr. President, if the Senator will yield, has the Senator studied the parliamentary situation which will exist on the House side?

The Senator from Illinois is a former Member of the House. I have not that distinction and education. It is my understanding that when such an amendment is offered, it is subject to a point of order, which puts it in the Rules Committee and raises a number of other problems.

I wonder if the Senator has inquired as to what the situation would be if there should go to conference the interest equalization bill or a tax bill which had a proposal attached to it to suspend execution of a Supreme Court decision, which is not within the jurisdiction of the Ways and Means Committee of the House. Has the Senator explored what the problems would be and the difficulties that would be encountered?

Mr. DIRKSEN. I do not believe there would be a problem. The House, of course, will not permit the addition of an amendment that is not germane both to a bill and the section to which it is added in the course of general discussion in the Committee of the Whole; but once the measure leaves the Senate, no matter what the nature of the amendment or how ungermane it may be, it is no longer subject to a point of order in conference or by the Rules Committee. Of course, at any time a Member may object to having the bill sent to conference, which automatically sends it to the Rules Committee. Other than that, the procedure offers no difficulty.

Mr. LONG of Louisiana. As one who would like to see the tax equalization bill passed and who has no interest in the foreign aid bill one way or the other, even though I have had the pleasure of serving on the Foreign Relations Committee, I hope we shall not find ourselves

at an impasse over the interest equalization bill. So far as the foreign aid bill is concerned, the chairman of the committee can worry about getting that bill out.

Mr. DIRKSEN. The distinguished Senator from Louisiana will recall that I voted to report the interest equalization bill from committee, and I intend to support it. I do not do so in a spirit of malice or enmity. I do it only because I have but few choices.

Mr. LONG of Louisiana. I hope, if there is any problem about having it agreed to, the Senator from Illinois will use the foreign aid bill rather than the tax equalization bill as the vehicle.

Mr. DIRKSEN. The only choice is that we choose a bill which must go to the President's desk for signature. That is why I alerted the President.

Mr. LONG of Louisiana. Of course, the Senator knows that both measures are supported by the administration.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. Mr. President, I congratulate the Senator from Illinois for his suggestion. I suggest that the pending interest equalization bill may be the bill to which such an amendment could be attached. I know, as the Senator from Illinois knows, that the President sent a recommendation to Congress for the enactment of the interest equalization proposal a year ago last month. The administration itself requested that action be postponed until some time this year. The result has been that it is at the administration's own request that we are acting on the bill at this late date.

There is no emergency which exists with respect to it, even though after we enact it, its provisions will be retroactive 1 year. Therefore, it seems to me that the pending bill would be an appropriate vehicle to which to attach the Senator's bill in the form of an amendment. It would have to go to the White House for signature. The President would give it consideration. Furthermore no one would be able to say that the Senate had rushed the bill through, after we had waited 13 months to take action on it, at the request of the White House.

Mr. DIRKSEN. I thank my friend from Delaware.

INTEREST EQUALIZATION TAX ON CERTAIN FOREIGN SECURITIES

The Senate resumed the consideration of the bill (H.R. 8000) to amend the Internal Revenue Code of 1954 to impose a tax on acquisition of certain foreign securities in order to equalize costs of longer term financing in the United States and in markets abroad, and for other purposes.

Mr. GORE. Mr. President, I support the bill now before the Senate, not because it is the best answer to a vexing problem but because something must be done to improve our balance-of-payments position. The bill appears to be about as much as Congress and the administration seem willing to do at this time by way of reducing portfolio investment outflows.

Almost 5 years ago I began to make determined efforts on the floor of the Senate and in committee to deal with the problem of the outflow of capital, the escape from taxation on income earned abroad, and the related export of jobs.

This has been a long, hard fight. Sometimes the disappointments have been rather bitter. However, the bill before the Senate today is the second major step toward the correction of this overall situation, which not only posed a serious threat to the position of the United States in international transactions, but which also contained within it gross inequities and favoritism in the field of taxation.

It is not always an easy role to pave the way for action to come. This is a controversial role for a Senator to play. Yet this is a role which must be played by someone in many fields.

The current taxation of income and profits earned abroad, which has been enacted by Congress, is partially effective. It is good as far as it goes. Even here, the action taken falls far short of fully effective and fully equitable action. The same is true of the pending bill. But, to achieve a step in the right direction is better than no step at all, and far better than a slippage in the wrong direction. In my opinion, the pending bill is a step in the right direction, though faltering and inadequate.

I congratulate the Johnson administration—Secretary Dillon in particular—for recommending the bill, and I am glad it has been passed by the House, and approved by the Senate Committee on Finance.

The bill is designed to regulate, by way of imposition of an excise tax, the outflow of certain kinds of portfolio investment funds.

As I have said, the objective is meritorious; indeed, the accomplishment of this objective is mandatory in the national interest. The objective could be accomplished more surely, more directly, and perhaps more equitably by direct regulation by the Government. But, as I have said, the mechanism provided in the pending bill seems to be the best that can be obtained at the present time.

The distinguished and able junior Senator from Louisiana [Mr. LONG] has explained the bill well. He has explained the main thrust of the bill, and has also cited the chief exemptions provided. I invite the attention of my colleagues in the Senate to these exemptions. I shall later offer an amendment with respect to one of them.

The principal exemptions from the terms of the proposed tax are as follows:

First. New Canadian issues: This exemption is a matter for executive discretion. I doubt its advisability, but shall offer no amendment with respect to it.

Second. Certain types of issues in less developed countries. This exemption is in line with other governmental actions, and is designed to encourage capital to go where it appears capital is most needed.

Here, too, a serious question can be raised. A successful businessman recently made a jocular remark to me as follows: "My hotel in London is now owned by an underdeveloped country." I did not inquire into the personal affairs of this gentleman. I only cite this remark to illustrate that we may be permitting vast loopholes in our tax law and in our governmental actions, and vast areas of favoritism in our governmental programs, by giving, without much question, preferential treatment to so-called underdeveloped countries.

What are those countries? How many are there? Where are they? For what purpose is this exemption to be used? Here, too, serious questions can be raised. But, once again, I shall not offer an amendment to cure this exemption.

Third. Direct investment: I should point out a grave defect in the bill in that a different definition of direct investment is used than the one used in the 1962 Act, which provided for current taxation of U.S. stockholders under certain circumstances when they hold a "direct investment." Should this act be renewed beyond 1965—as I am sure will be necessary—this is one among several items that Congress will wish to examine.

Fourth. Export financing: Of course, no one wants to interfere with legitimate export financing; and this bill recognizes that fact. Questions may be asked later; but I accept this provision for the time being.

Fifth. Commercial bank loans: This is an important loophole in the bill, one in which the danger to the national interest is clearly apparent, and which I shall seek to close, although only partially.

There are many other specific exemptions, many of which are in the nature of private bills for the benefit of certain companies whose operations do not exactly fit the pattern of the bill. These exemptions, too, must be examined closely if the act is to be extended beyond 1965.

All these remarks are by way of illustration that the pending bill is not a thoroughgoing treatment of the subject. However, it does contain a powerful thrust, and it more or less ratifies action which the administration has already taken with great beneficial effect.

The commercial bank exemption is probably the most damaging to the balance of payments, and the least justifiable from the standpoint of the national welfare, of the five major exemptions to which I have alluded.

It seems to be a foregone conclusion that the commercial bank exemption will be used to some extent to funnel funds into foreign ventures free of the tax imposed by the bill, when, in the ordinary course of business, those funds would have been procured through public issues and would have been held back because of the tax.

Secretary Dillon cited, in testimony before the Committee on Finance, one instance involving $20 million in which a bank loan was substituted for a public issue which would have been subject to the tax. Although Secretary Dillon feels that there has been no significant avoid-

ance of the tax through shifting to bank loans, the bare statistics suggest the possibility that something unusual has been happening. They suggest also the advisability of taking standby action.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table showing net increases in U.S. banking claims on foreigners, as well as four other tables furnished the Committee on Finance by the Treasury Department.

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

Net increase in U.S. banking claims on foreigners

[In millions of dollars]

	1960	1961	1962	1963	1963 [1]				1964		
					I	II	III	IV	I	April (p)	May (p)
Total claims [2]	1,150	1,261	451	1,287	−104	580	18	794	640	157	85
Collections and short-term foreign currency claims [3]	356	172	−63	187	10	138	−68	107	146	45	18
Loans, acceptances, and other dollar claims	794	1,089	514	1,100	−114	442	86	687	494	112	67
Long-term claims [4]	153	133	127	566	−27	177	114	302	219	27	26
Short-term loans	−13	350	294	−39	−177	−72	29	181	141	57	49
Acceptances and other dollar claims	651	604	93	574	90	337	−57	202	135	29	−8
Memorandum:											
Total claims on Japan	485	675	262	532	12	152	24	343	284	−2	32
Long term	3	5	51	122	1	34	31	57	57	6	2
Short term	482	670	211	409	11	118	−7	286	227	−8	30

[1] Excludes certain claims purchased from American cooperation in special transaction.
[2] Excludes exchange stabilization fund holdings.
[3] Mainly for account of customers.
[4] Mainly loans of more than 1 year maturity.

NOTE.—Details may not add to totals because of rounding.

Source: Treasury Department.

TABLE 1.—*Net purchases of foreign securities by U.S. residents and net changes in bank credit extended to foreigners, 1960–63 and 1st quarter, 1964*

[In millions of dollars]

	Net purchases of foreign securities	Net increase in long-term bank claims [1]	Total, long term	Net increase in short-term bank credit [2]	Total
1960	864	153	1,017	639	1,656
1961	910	133	1,043	953	1,996
1962	1,172	127	1,299	386	1,685
1963:					
I	540	−27	513	−87	426
II	586	177	763	264	1,027
III	151	114	265	−28	237
IV	−2	302	300	385	685
Total	1,275	566	1,841	534	2,375
1964: I	[3] 33	219	252	275	527

[1] Mostly loans.
[2] Mostly loans and acceptance financing; excludes collections and foreign currency claims, which are mostly for account of customers.
[3] Preliminary.

TABLE 2.—*Net purchases or sales of foreign securities by U.S. residents, 1960–63, and 1st quarter, 1964*

[Millions of dollars; purchases or sales (−)]

	By years				By quarters				
	1960	1961	1962	1963	1963				1964
					I	II	III	IV	I
New issues of foreign securities purchased by U.S. residents	555	523	1,076	1,260	481	518	183	87	[1] 132
Net purchases or sales of outstanding foreign securities by U.S. residents	309	387	96	6	59	68	−32	−89	[1] −99
Total, U.S. purchases or sales of foreign securities	864	910	1,172	1,275	540	586	151	−2	[1] 33

[1] Preliminary.

Source: Survey of Current Business.

TABLE 3.—*Net changes in claims on foreigners reported by U.S. banks,[1] 1960–63, and 1st quarter, 1964*

[Millions of dollars; increases or decreases (−)]

	By years				By quarters				
	1960	1961	1962	1963	1963				1964
					I	II	III	IV	I
Short-term claims:									
Collections and foreign currency claims (mainly for account of customers)	356	172	−63	187	10	138	−68	107	146
Other (dollar) claims (mainly loans and acceptances)	639	953	386	534	−87	264	−28	385	275
Total, short term	995	1,125	324	721	−77	402	−96	492	421
Long-term claims (mainly loans), total	153	133	127	[2] 566	−27	177	114	[2] 302	219
Total, long- and short-term claims	1,150	1,261	451	1,287	−104	579	18	794	640
(Of which, claims on Japan)	485	675	262	532	12	152	24	343	331

[1] Includes claims for account of banks' customers as well as loans, acceptances, and other claims for banks' own account.
[2] Excludes sales of about 150,000,000 of outstanding trade credits to the banks by a U.S. corporation.

NOTE.—Details may not add to totals because of rounding.

Source: Department of Commerce and Treasury Department.

TABLE 4.—*Total outstanding short- and long-term claims on foreigners reported by U.S. banks*

[In millions of dollars]

Claims reported as of—	Total, short term [1]	Long term	Total [1]	Of which, claims on Japan
Dec. 31, 1959	2,599.0	1,545.1	4,144.1	339.6
Dec. 31, 1960	3,594.2	1,698.4	5,292.6	825.0
Dec. 31, 1961	[2] 4,777.3	[2] 2,033.8	[2] [3] 6,811.1	[2] 1,551.7
Dec. 31, 1962	5,100.9	2,160.4	7,261.2	1,814.2
Mar. 31, 1963	5,023.9	2,133.0	7,156.8	1,827.1
June 30, 1963	5,430.9	[4] 2,396.5	[4] 7,827.4	1,982.7
Sept. 30, 1963	5,334.8	2,510.3	7,845.1	2,008.5
Dec. 31, 1963	5,826.7	[5] 3,005.1	[5] 8,831.8	[5] 2,392.0
Mar. 31, 1964	6,247.0	3,224.2	9,471.2	2,676.3
Apr. 30, 1964	6,377.3	3,251.2	9,628.6	2,675.2

[1] Excludes claims held by the Exchange Stabilization Fund.
[2] Short-term claims include $57,900,000 reported by banks initially included as of Dec. 31, 1961. Of this amount, claims on Japan amount to $51,900,000.
[3] Includes $200,000,000 classified as a direct investment transaction.
[4] Includes claims of $86,000,000 previously held but first reported as of May 31, 1963.
[5] Includes claims of $193,000,000, reported by banks for the first time as of Dec. 31, 1963, which includes about $150,000,000 of trade credits sold to the banks by a U.S. corporation but in part represents claims previously held but not reported by the banks. Included in this amount are claims of $46,400,000 on Japan.

NOTE.—Data for foreign securities held by Americans at the end of calendar years 1959–63 that may be directly compared with the figures for net purchases shown on table 2 are not available. However, the Department of Commerce has estimated that the value of all foreign securities held by U.S. residents at the end of 1962 was $11,802,000.

Source: Treasury Department.

Mr. GORE. Mr. President, these tables show nothing particularly dramatic so far as total claims are concerned. But in the area of long-term claims, the increase of $566 million in 1963 and the further increase of $272 million during the first 5 months of 1964 indicate the possibility that something unusual is occurring. Some of this sharp increase is undoubtedly related to increased exports. The increase began in the second quarter of 1963, just prior to the effective date of the bill.

The bill, as it came over from the House, contains provisions for reporting by banks. This fact, it seems to me, is a tacit recognition that the commercial-bank loophole is subject to abuse. The reports should reveal whether any extensive increase in bank activity is occurring in areas where the tax should apply. But should these reports reveal a lack of cooperation on the part of certain banks, there is little the Treasury could do.

My amendment would permit the Treasury, with the approval of the President, to act effectively. My amendment would give the President authority to do something about any improper or untoward situation that might arise under the commercial-bank exemption. While I would not want to suggest that this amendment, if adopted, would act as a club—it should not be thought of in those terms—I suggest that it would be easier for the Treasury to persuade the banks to keep within proper bounds and not to expand loans to cover transactions which ought to come within the scope of the tax, if this amendment should become law. Standby authority is a principle, and a provision, which has frequently been used to great effect.

The amendment which I shall call up tomorrow is quite simple. Should the President decide that bank loans to foreigners are being made in such a manner as to impair the effectiveness of the interest equalization tax by, directly or indirectly, replacing the kinds of financing now subject to the tax, the President would be authorized by Executive order to provide that:

First. The exclusion provided in the present bill for commercial bank loans made in the ordinary course of business would be ineffective during the period specified in the Executive order.

Second. Loans by commercial banks to foreigners with a period remaining to maturity of 1 year or more would be subject to the tax. With respect to loans with maturities of 3 year or more, the rates contained in the present bill would be applicable. Loans with a maturity of 1 year or more and less than 3 years would be subject to tax at the rates specified in the amendment. Although the present bill only taxes loans to foreigners with a maturity of 3 years or more, it is essential to tax bank loans with a maturity of 1 year or more because of the flexibility and ease of renewal of such loans. If a 3-year period were established for bank loans, it would be a relatively simple matter for banks to set the maturities of their loans at 34 or 35 months.

Third. The tax would not apply to the acquisition by commercial banks of obligations arising out of the sale of personal property or services if at least 85 percent of the loan is attributable to the export of U.S. goods and services, the extension of credit is reasonably necessary to accomplish the export, and the terms of the obligation are not unreasonable in light of credit practices in the exporter's business. This provision recognizes the important role of banks in financing U.S. exports, and extends to banks and exclusion similar to the one that is available in the present bill to U.S. exporters.

Fourth. Commercial banks would be permitted to make loans in foreign currency through branches located outside the United States to the extent of 110 percent of the foreign currency deposits of such branches. This provision recognizes that foreign branches of commercial banks are engaged in borrowing and lending funds in foreign currency, which, in general, does not have a harmful effect on the balance of payments.

Fifth. In order to prevent avoidance of the tax on commercial bank loans, the exemption for prior American ownership would not be available to commercial banks with respect to obligations having a period remaining to maturity of 1 year or more and less than 3 years. This is necessary to prevent domestic intermediaries from being established to acquire obligations with maturities of between 1 and 3 years from foreigners tax free—since the present 3-year exemption would be maintained for other than commercial banks—and then transferring the obligations tax free to banks under the exemption for prior American ownership.

Sixth. The Executive order and regulations prescribed by the Secretary or his delegate may specify the manner in which this standby authority is to be effectuated.

Mr. President, I submit an amendment to H.R. 8000 and ask that it be printed and lie on the desk. I ask unanimous consent that the amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, it will be printed in the RECORD.

The amendment (No. 1176) is as follows:

On page 94, in the matter following line 19, strike out the closing quotation marks, and after such matter insert the following:

"Subchapter B—Acquisition of Commercial Banks

"SEC. 4931. Commercial bank loans.

"SEC. 4931. COMMERCIAL BANK LOANS.

"(a) STANDBY AUTHORITY.—The provisions of this section shall apply only if the President of the United States—

"(1) determines that the acquisition of debt obligations of foreign obligors by commercial banks in making loans in the ordinary course of the commercial banking business has materially impaired the effectiveness of the tax imposed by section 4911, because such acquisitions have, directly or indirectly, replaced acquisitions by U.S. persons, other than commercial banks, of debt obligations of foreign obligors which are subject to the tax imposed by such section, and

"(2) specifies by Executive order that the provisions of this section shall apply to acquisitions by commercial banks of debt obligations of foreign obligors during the period, and to the extent, specified in such Executive order.

"(b) DEBT OBLIGATIONS WITH MATURITY OF 3 YEARS OR MORE.—During any period specified in an Executive order issued under subsection (a), and to the extent specified in such order, sections 4914(b)(2)(A), 4914(1)(1)(A)(ii), and 4915(c)(2)(A) shall not apply.

"(c) DEBT OBLIGATIONS WITH MATURITY FROM 1 TO 3 YEARS.—During any period specified in an Executive order issued under subsection (a), and to the extent specified in such order, there is hereby imposed, on each acquisition by a U.S. person (as defined in section 4920(a)(4)) which is a commercial bank of a debt obligation of a foreign obligor (if such obligation has a period remaining to maturity of 1 year or more and less than 3 years), a tax equal to a percentage of the actual value of the debt obligation measured by the period remaining to its maturity and determined in accordance with the following table:

Period remaining to maturity and tax as a percentage of actual value

	Percent
At least 1 year, but less than 1¼ years	1.05
At least 1¼ years, but less than 1½ years	1.30
At least 1½ years, but less than 1¾ years	1.50
At least 1¾ years, but less than 2¼ years	1.85
At least 2¼ years, but less than 2¾ years	2.30
At least 2¾ years, but less than 3 years	2.75

For purposes of this title, the tax imposed under this subsection shall be treated as a tax imposed under section 4911, except that, for such purposes, the provisions of section 4918 shall not apply.

"(d) EXCLUSIONS.—

"(1) EXPORT LOANS.—The provisions of subsection (b), and the tax imposed under subsection (c), shall not apply with respect to the acquisition by a commercial bank of a debt obligation arising out of the sale of personal property or services (or both) if—

"(A) not less than 85 percent of the amount of the loan is attributable to the sale of property manufactured, produced, grown, extracted, created, or developed in the United States, or to the performance of services by United States persons, or to both, and

"(B) the extension of credit and the acquisition of the debt obligation related thereto are reasonably necessary to accomplish the sale of property or services out of which the debt obligation arises, and the terms of the debt obligation are not unreasonable in light of credit practices in the business in which the United States person selling such property or services is engaged.

"(2) FOREIGN CURRENCY LOANS BY FOREIGN BRANCHES.—The provisions of subsection (b), and the tax imposed under subsection (c), shall not apply to the acquisition by a commercial bank of a debt obligation of a foreign obligor payable in the currency of a foreign country if, under regulations prescribed by the Secretary or his delegate—

"(A) such bank establishes and maintains, for each of its branches located outside the United States, a fund of assets with respect to deposits payable in foreign currency to customers (other than banks) of such branch, and

"(B) such debt obligation is designated, to the extent permitted by this paragraph,

as part of a fund of assets described in subparagraph (A) (but only after debt obligations of foreign obligors payable in foreign currency having a period remaining to maturity of less than one year held by such bank have been designated as part of such a fund).

A debt obligation may be designated as part of a fund of assets described in subparagraph (A) only to the extent that, immediately after such designation, the adjusted basis of all the assets held in such fund does not exceed 110 percent of the deposits payable in foreign currency to customers (other than banks) of the branch with respect to which such fund is maintained.

"(e) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations (not inconsistent with the provisions of this section or of an Executive order issued under subsection (a)) as may be necessary to carry out the provisions of this section."

On page 2, immediately after line 8, insert the following:

"SUBCHAPTER A. Acquisitions of foreign stock and debt obligations.

"SUBCHAPTER B. Acquisitions by commercial banks.

"SUBCHAPTER A—Acquisitions of Foreign Stock and Debt Obligations

Mr. GORE. Mr. President, this amendment will be called up tomorrow, when H.R. 8000 is under further consideration.

Mr. SMATHERS. Mr. President, I rise in support of the interest equalization tax measure pending before the Senate today, which places a temporary tax imposed on acquisitions by Americans of foreign securities regardless of where the acquisition occurs.

The tax applies to foreign stock and debt obligations both new and outstanding acquired from foreigners. It does not apply to purchases of foreign securities by Americans from other Americans.

Secretary after Secretary of the Treasury have tried to resolve the balance-of-payments problem but to no avail. Secretary Douglas Dillon, after considerable thought and study originated what is now the pending proposal. Although the bill has not yet been enacted, it already has had a very beneficial effect on our balance of payments and gold supply.

Let me pay brief tribute to Secretary Dillon who has again proved himself an unselfish, dedicated man, one who has earned the respect and admiration of all of us, Democrats and Republicans alike. His knowledge of fiscal and monetary policies and his unselfish devotion to duty have, without question, contributed immeasurably toward leading this Nation down a sound economic path that in great measure accounts for the unprecedented prosperity we are enjoying today. In my humble opinion, this Nation owes to Douglas Dillon an everlasting debt of gratitude.

The pending measure provides that the rate of tax in a case of foreign debt obligations is graduated from 2.75 percent for obligations maturing in 3 years to 15 percent for those maturing in 28½ years or more. The schedule of rates is determined so as to increase by roughly 1 percent the cost of borrowing to the foreigner. In the case of foreign stocks, the rate of tax is 15 percent, the same as for bonds of the longest maturity.

Though our balance-of-payments situation is serious, it is now much stronger than it was a year ago before the interest equalization tax was first proposed.

After the announcement last July of an intensified program to remove the deficit and halt gold losses, our position has swiftly improved.

Confidence in the dollar is high—and for good reason. Our gold losses averaged $1.7 billion annually from 1958 to 1960. They were halved during 1961–62, lessened further in 1963, and have actually shown a slight increase so far this year.

However, some of the improvement in our balance of payments and gold situation is due to temporary factors. Because of this, we cannot safely relax our efforts. We demonstrated determination to take the measures required to further strengthen our balance of payments last July when the interest equalization tax was first proposed. We demonstrated it again this March when H.R. 8000, the interest equalization tax passed the House of Representatives by a resounding majority. Our determination to stop our gold losses and improve our balance of payments, must now be demonstrated again by passing this bill.

Because our position has improved, some have questioned whether this proposed legislation is now still needed. Others have suggested alternatives to it. However, I believe that a careful examination of the facts shows beyond doubt that the need for this legislation has not been reduced at all.

The truth is, we still have a serious balance-of-payments problem. It is, to be sure, a problem on the way to solution. But it is not yet solved.

We could easily and quickly slide back into the perils of large deficits and mounting losses of gold, if we fail to enact this proposed legislation, and continue sound fiscal policies calculated to reduce oversea expenditures, and increase our exports and return us to the day of balanced budgets.

The proposed tax on foreign securities remains a key element in our overall balance-of-payments program, vital to the success of all our efforts in this area.

To finally close the gap, to reach the goal of payments balance, we must be protected against a repetition of massive foreign borrowing in our efficient and low-cost capital markets. In the first half of 1963, our purchases of new issues of foreign securities were running at the staggering annual rate of almost $2 billion. This was almost double the already high 1962 total, and over three times the outflow during 1961.

Any renewal of foreign borrowing in this country on the prodigious scale of late 1962 and early 1963 could swiftly plunge us back into grave difficulties. We must not allow that to happen.

Failure to enact this tax, or equivocation over some unworkable alternative, could very easily lead straight away to heavy foreign borrowing and a renewed outpouring of capital.

Considerable publicity has been given to our favorable balance-of-payments results in the first quarter of this year.

The figures indeed were much better than most of us had expected.

In the first quarter, our seasonally adjusted deficit on regular transactions—ignoring such special receipts as advance debt payments by foreign countries and advance payments on our military exports—was only approximately $180 million, some $725 million at an annual rate.

This contrasts sharply with the first-quarter deficit in 1963 on the same basis of $1,180 million, an annual rate of nearly $5 billion.

The very favorable showing in the first quarter, unfortunately, is a somewhat misleading measure of the improvement that has been achieved. It could not be sustained during the second quarter, or for the rest of the year. We have made progress, but we also have a long way to go.

Some short-term capital flows have increased, as they typically do in the wake of an increase in our exports. Additionally, there was a purely temporary phenomenon as some short-term capital flowed our way in March and then back out in April. Meanwhile, the prospect of the Congress adopting the interest equalization tax proposal itself has held the outflow of long-term portfolio capital to tolerable levels.

Although the balance-of-payments information for the full first half of the year is still incomplete, it is becoming clear that the deficit will be larger in the second quarter than it was in the first.

A prominent influence affecting the quarterly balance was a short-term capital inflow of about a quarter billion in March, and an outflow of roughly the same magnitude in April. By itself, this meant a net difference of a half billion between the quarters—$2 billion at an annual rate. Reversible movements of this sort can cause quarterly balance-of-payments figures to jump around a lot—even though no net lasting change has taken place in the annual balance.

Overall, the deficit on regular transactions for the first half was running at a rate of around $2 billion a year or a little less, and chances are good that we can maintain that for the entire year. That would be the smallest deficit in our balance of payments since 1957.

Our accounts are now swinging in the right direction—but it will take time to complete the swing. Meanwhile, we cannot relax our efforts when our payments are still so far out of balance. We have needed the payments gains which this proposed tax has already achieved. We will need them in the remainder of this year. And we will need them next year as well.

Under the terms of this proposed legislation, the effective date of the proposed tax would in general be July 19, 1963, the day after President Kennedy's special message on the balance of payments. Because of that effective date, our capital markets have already adjusted to the proposed tax. Moreover, its ability to moderate the outflow of capital is clearly

revealed in the balance-of-payments figures before and after mid-1963.

From the point of view of our balance of payments, it was essential that there be no protracted period between the announcement of the tax and its effective date. Had there been such a period, foreign borrowers would have rushed into our markets to beat the deadline.

Enormous pressures would have been exerted upon our payments position. Consequently, it was announced at the time the tax was proposed, that the effective date would, in general, be July 19, 1963.

Any change now in the July 1963 effective date would have extremely perverse and inequitable effects. Market trading has been conducted for a full year on the expectation of the tax having been effective from its date of announcement. The vast majority of market participants have calculated on that basis, made their lending and borrowing plans, and adjusted their security portfolios accordingly. For these reasons the effective date should not be changed.

No one claims that the balance-of-payments gains from this legislation can be measured exactly, or predicted with complete assurance. However, recent experience verifies the reasonableness of the original Treasury estimate that imposition of the tax would result in an overall reduction in the next purchase of foreign securities of $1¼ to $1½ billion a year.

Actually, there has been a $1.7 billion reduction in the seasonally adjusted annual rate of outflow into foreign securities during the three quarters following this legislative proposal, compared with the three quarters preceding it. Our balance-of-payments situation demands that savings of that magnitude continue.

We have not yet reached the point where we can safely forego the shielding effect of the interest equalization tax.

There are some who, agreeing with the importance of achieving a transitional reduction in capital outflows and the necessity of taking resolute action, would prefer to try to substitute the decisions of a capital issues committee for the operation of the proposed tax.

Any such plan would encounter serious problems. If it sought to depend upon voluntary compliance, it would probably soon become totally ineffective. In some foreign countries—Switzerland for example—the number of investment houses is small. In this country, the number of firms is much larger. As soon as one, or a few firms here are thought not to be conforming to the spirit of the program, intolerable competitive pressures would build up.

In the absence of any clear-cut criteria for the approval or disapproval of individual foreign capital issue applications, such situations would surely arise. Furthermore, there would be no legal sanctions to apply against nonconformance.

There are no clear-cut criteria by which a capital issues committee might be guided. An obvious one—whether or not the proceeds are to be used to finance U.S. exports—would not exempt more than a handful of issues.

A capital issues committee would not be able to escape the burden of rejecting a large proportion of the borrowing applications from other industrial countries.

Many of these potential borrowers would have their own government's sanction for the project in question. Some of the potential borrowers would be private firms. Others would be foreign municipalities and government-controlled corporations.

All of the projects would doubtless be represented as serving commendable ends, and many would have significant foreign policy overtones. How could a private committee muster a Solomon-like wisdom to rationally and effectively reduce demands on our capital market and obtain the full cooperation of all participants?

This simply would not work. The only possible way administrative rationing of private U.S. capital to foreign borrowers would work—and then only after a fashion and at high cost—would be for the Government to intrude itself directly into the market decision-making process. Such action is not proposed because the alternative proposal, the interest equalization tax, has the overwhelming advantage of working through markets, not substituting for them.

The interest equalization tax already has dampened the outflow of portfolio capital that threatened the success of our overall efforts to restore payments equilibrium and to halt the gold drain from this country. Failure to proceed now with its enactment would risk the resumption of foreign borrowing on a scale our payments position cannot safely tolerate.

This tax is a key element in a comprehensive balance-of-payments program—a program that is working. We must not undo the success of this program by failing to retain this key element—the interest equalization tax.

I strongly urge Senators to give wholehearted support to this proposal.

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

Mr. SMATHERS. I yield.

Mr. GORE. I congratulate the Senator of his able speech and clear analysis of the situation. He has pointed out an unusual merit which the pending bill has; namely, that its effectiveness has already been tested. Although it has not become law, the Treasury, by suggested regulation and other action, has been effectively using the power which the pending bill would actually vest. Is that not true?

Mr. SMATHERS. The Senator is absolutely correct. To prove that point even further, I recall that during the hearings in the Finance Committee the Secretary of the Treasury pointed out that there had actually been a saving of $1,700 million merely on the prospect of passing this tax. It seemed so remarkable that several of us wanted to know how it was that the Secretary of the Treasury could accomplish that through an administrative order. We did not believe that the mere prospect of it would accomplish this saving. The Secretary pointed out that, not having the authority by law to impose such a tax, he had not conceived that he had the authority to do it administratively, but that the prospect of the tax had stopped foreign countries from offering such securities here in the United States.

Mr. GORE. In fairness to the Secretary, it should be said that in many instances he obtained voluntary compliance with the purport of the pending bill because our national interest was involved.

Mr. SMATHERS. I am sure the Senator is correct.

Mr. GORE. Although I would not wish to see this practice extended, nevertheless the effectiveness of the terms of the pending bill has already been demonstrated through the voluntary compliance which the administration has been able to secure.

Mr. SMATHERS. The Senator is absolutely correct. I thank him for that comment.

As the Senator indicates by his question, it would be almost catastrophic not to go ahead and enact the law and put it on the books, which is, of course, what we are now trying to do.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. LONG of Louisiana. Mr. President, I would like to make reference to one or two arguments that have been made in opposition to this interest equalization tax, supplementing what I said previously.

There has been some question about the continuing need of a tax. The argument has been made that, inasmuch as there has been a recent improvement in the unfavorable balance-of-payments position of the United States, particularly for the first quarter of 1964, the tax might not be necessary.

The truth is that while the first quarter of 1964 was favorable in that the rate of our unfavorable balance of payments decreased $1,700 million, the figures for the first 6 months show that the average happens to be nearly $1.8 billion for the year. We believe our deficit will be approximately $2 billion for this year when all the returns are in. So, it is unduly optimistic to look merely at the first quarter of the year and assume that the situation will be as favorable as the first quarter's figures indicated.

In addition, the assumption that our balance of payments will be a deficit of $2 billion this year assumes the passage of this tax bill. As the Senator from Florida [Mr. SMATHERS], the Senator from Tennessee [Mr. GORE], and I have pointed out, we believe that the impending tax has caused the outflow of American dollars to be reduced by $1,700 million a year, and that without this tax, the unfavorable balance for this year would be approximately $3,700 million.

It is further our belief—and this point is concurred in by the Treasury Department—that should the pending tax bill fail to pass, there would be an immediate worsening of our balance-of-payment situation, and it could be of very serious proportions. It has been suggested that we should not pass this tax bill because our situation appears to have improved from what was an extremely serious deficit of $5 billion a year on an annualized basis previous to the proposal of the tax. With regard to that we can only

reply that the reason that it has improved so drastically is primarily the announcement that the tax would be passed and the anticipation that the measure would become law.

If the tax should fail to pass, we could anticipate an immediate and serious worsening of our balance-of-payments situation.

Colloquy on the floor of the Senate during the debate raised the question that some persons in Europe who trade with us and elsewhere might retaliate against the United States because we are seeking to reduce the capital outflow of American dollars into these European countries. It should be kept in mind that less-developed countries and Canada would not be adversely affected by the tax because special arrangements have been made to take care of their situations.

European countries are united with the United States in a number of ways. They are united with us both militarily and economically. It is to their interest that the United States should avoid the kind of economic disasters that can occur when a nation is not solvent in its international payments.

This Nation, a member of the Organization for Economic Cooperation and Development, can discuss just this kind of problem. When Britain or France has payment problems they are discussed with us. For example, they may discuss the fact that they might not be able to pay as early as they might like to on their international obligations and that they might have to borrow money from some other nation, the International Monetary Fund, or some other monetary fund, or some other source.

Our allies and friends have been very much concerned about the fact that the United States has had a continuing unfavorable balance of payments of serious proportions, and the unfavorable balance has gone to the extent that it threatens this Nation's gold supply. Therefore, our Secretary of the Treasury, Mr. Douglas Dillon, and his assistants discussed the question with the representatives of our allies in the Organization for Economic Cooperation and Development, and they responded favorably.

I ask unanimous consent to have printed at this point in the RECORD a letter from Mr. Thorkil Kristensen, the Secretary General of the Organization of Economic Cooperation and Development, which in effect approves this tax, recognizing that we have a problem and that we must meet it, and that we, as other nations, should seek cooperation and understanding among our allies. Our friends who have had business with us do understand that we have a problem, and they are pleased to see that we have undertaken to adopt the proposed legislation to meet the problem.

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

OECD,
Paris, April 15, 1964.

MR. DOUGLAS DILLON,
The Secretary of the Treasury,
Washington, D.C.

DEAR MR. DILLON: I am most grateful to you for your letter of March 16, with which you enclosed a copy of the interest equalization tax bill as approved by the House of Representatives. This is being studied carefully by the staff of the Secretariat.

It is my impression that the relevant bodies of the Organization—i.e., the economic policy committee, its working party No. 3, and the committee for invisible transactions—took a favorable view of the proposals as soon as full details were explained to them last autumn. They were generally agreed on the the need to secure a reduction in the capital outflow from the United States without impeding the growth of the domestic capital.

We have been very encouraged to see the various kinds of improvement in the U.S. balance of payments since the early months of 1963. We shall certainly watch with great attention developments on the U.S. capital balance after the bill is enacted into law. We realize that the initial effects which were observed immediately after the tax was proposed were probably bigger than those likely to be experienced after enactment. But we are sure that the bill, when enacted, will prove a useful measure, and is indeed a major example of the flexibility of policies required to manage the balance-of-payments problems arising between our member countries.

Yours sincerely,
THORKIL KRISTENSEN.

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

Mr. LONG of Louisiana. I yield.

Mr. GORE. Is it not a fact that, except for small Switzerland, the United States is the only nation in the world possessing a sophisticated economy that has regularly permitted any of its citizens or business interests to invest anything anywhere in any amounts for any purpose without regard to a possibly adverse effect upon the country?

Mr. LONG of Louisiana. I cannot say that every country, with the exception of Switzerland, has that situation. But I know of no nations with a developed and sophisticated economic system, including all the European countries, that have not had to adopt restrictions with regard to how much money their citizens could take out of the country or how much they could invest in other countries or place some kind of control on the outflow of their capital. Even Switzerland has a Capital Issues Committee which undertakes to review the decisions of their own citizens to take capital out of Switzerland through investments in foreign securities.

Mr. GORE. So the Senator would say that in taking this step, though small and inadequate, as I hold it to be—nevertheless a step in the right direction—the United States is certainly not out of step with all the other countries of the world?

Mr. LONG of Louisiana. No. As a practical question, it is necessary for us to act as a part of the human race. I am sorry it is that way. As I suggested in my earlier remarks, if we could have avoided a foreign aid program, if we could have avoided stationing troops in Europe, and if we could have taken a number of other steps such as placing heavier subsidies on our merchant marine or placing heavier tariffs on certain items that come into our country or more restrictive quotas, we might have found ways of avoiding placing ourselves in this position.

But when we face the problem with which we are now confronted, we recognize it as a problem that faces all the advanced and enlightened economically developed countries of the world. For some time we were above and beyond all that, but over a period of time it tended to catch up with the United States as it had with the rest of the countries.

Mr. GORE. I congratulate the able Senator for the fine statement that he has made, the incisive address he has delivered, the study he has given to the problem, and the leadership he has provided toward a solution.

Mr. LONG of Louisiana. I thank the Senator.

SECRETARY OF THE TREASURY DOUGLAS DILLON

Mr. President, as H.R. 8000 is likely to be the last major piece of Treasury Department legislation to be considered by this session of the Senate, I should like to take this occasion to pay a brief tribute to the outstanding performance of Secretary of the Treasury Douglas Dillon and his Department.

For the last 3½ years Secretary Dillon has been the principal Cabinet official making and executing the policies which have led to the unparalleled strength and growth of our economy. He has had the full confidence of President Johnson and the late President Kennedy. His performance has been the performance of a dedicated professional. He has not grasped for the limelight; rather, he has quietly engineered the largest tax cut in the Nation's history, tax reforms which will raise three times as much revenue as all previous reforms combined, and which is already resulting in a dramatic improvement in the Nation's balance-of-payments situation.

During his stewardship at Treasury, depreciation guidelines for business have been modernized—a job previous administrations said was impossible. Secretary Dillon worked out a new investment credit to stimulate capital improvements by business.

The purpose of H.R. 8000 is to insure that the improvement in our balance-of-payments situation continues. It is the latest carefully planned step in a series of measures, initiated by Secretary Dillon, which have stopped the outflow of gold from the United States. In this field, Secretary Dillon and his Department have turned in a technically dazzling performance and the Nation is greatly in his debt.

This Senator has long been an advocate of the lowest level of interest rates that could be sustained under reasonably stable fiscal and monetary conditions. I would personally like to see drastic steps by the Executive and the Congress to achieve a level of interest rates somewhat in line with the average for the Roosevelt and Truman administrations. Thus far, the Federal Reserve Board has not been willing to adopt my view, and there has been no indication that the late President Kennedy was nor that President Lyndon Johnson is ready to fight for such a result.

Nevertheless, the pressures have been tremendous, both upon the President, the Secretary of the Treasury, and the Federal Reserve System to permit interest rates to increase until they exceeded the figures that existed prior to the economic debacle in 1929.

In view of the problems, political as well as economic, which confronted Secretary Dillon, I wish to commend him for his skillful and courageous guidance of a monetary policy which has permitted the United States under this administration to enjoy the lowest long-term interest rates of any major country in the world. With the pressures from abroad and from the financial community in this country, this has not been a simple achievement.

No man has appeared more frequently before the Senate Finance Committee in the last 4 years than Secretary Dillon and there is no man—and I think I can speak for both sides of the aisle—in whom we have had more confidence.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the American Banker of July 28, 1964, entitled "Best of the Alternatives."

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

BEST OF THE ALTERNATIVES

Additional insight into the problem the administration faced in deciding to ask for the controversial interest equalization tax was provided last week by Joseph W. Barr, Chairman of the Federal Depoist Insurance Corporation, in a thorough review of the various alternatives which the administration had considered before making its decision.

Mr. Barr gave this glimpse into the painful process of policymaking in an address before the Southwestern Graduate School of Banking, at Southern Methodist University.

In June of 1963, following the worst single quarter since the balance of payments became a problem, there was no question but that the administration had to take stern action; the only question was what kind. And the only certainty about the answer was that it would be difficult to come by.

Some possibilities could be rejected out of hand, for clear and compelling reasons of national policy. To pull back troops from their stations abroad or to cut foreign aid would have reduced expenditures sharply, Mr. Barr acknowledged, but such a move obviously would have undermined our international posture. To try to clamp the lid on American tourists traveling abroad, quite apart from the encroachment upon their rights, simply would not have worked. None of these three possibilities was given serious consideration, Mr. Barr said.

Two other possibilities got more attention. One was the formation of a capital issues committee—a Government mechanism to decide how much, and what kind, of capital could be exported from the United States. The Treasury rejected this idea, Mr. Barr reported, "initially because we felt that such a committee would be an extremely unusual intrusion into the competitive forces of the economy during peacetime." And further: "there was also a strong feeling that decisions by this committee would involve judgments that would do credit to a Solomon."

Another proposal was to seek to get interest rates lifted across the board to a level so high that the American capital market would be priced out of the reach of foreigners. While there are no exact estimates on how high rates would have had to be to achieve this objective, Mr. Barr declared that "certainly an increase on the order of 1 percent would have been necessary."

But a general increase in rates was judged likely to create more problems than it would solve. "If such a step were possible at all, it would have resulted in a drastic tightening of credit," Mr. Barr stated. "It would have been unwise for us to have adopted at this time a highly restrictive monetary policy and thereby to have slowed down our domestic economy and growth to meet this limited problem."

After discarding all the alternatives, top Treasury officials "came to the conclusion that a rather novel approach was the most appropriate," Mr. Barr continued. This was the "interest equalization tax"—an excise tax levied on American purchasers of foreign securities, graduated so that its net effect is to increase by about 1 percent the annual cost to a foreigner of raising money in the U.S. market.

"The advantages of this approach," Mr. Barr declared, "are that the tax, with limited exceptions, would apply broadly to all American purchases of securities from foreign sellers.

"It would not involve the discretionary instrusion of the Federal Government into the marketplace.

"It would not involve a highly restrictive monetary policy which could throw out of phase the painful economic progress that the Nation had begun."

And furthermore, he added, "it would give us additional time to continue our efforts to improve our balance of payments."

These things the mere threat of the tax has accomplished. The great outflow of U.S. capital has stopped, although unfortunately the other efforts to improve the balance of payments during the time gained thereby have not proved to be as successful as had been hoped.

But the process through which the decision to ask for the tax was made throws light on the countervailing pressures, and awkward alternatives, which confront the makers of high policy. Examination of that process also provides persuasive evidence in support of passage of the bill.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. SMATHERS. Mr. President, in accordance with the previous order, I move that the Senate adjourn until 11 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 32 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Tuesday, August 4, 1964, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate August 3, 1964:

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Roy S. Harris, Bellflower, Calif., in place of W. M. Martin, transferred.

George A. Brook, Redwood City, Calif., in place of R. E. O'Connell, Jr., retired.

Marjory E. Duckworth, Standish, Calif., in place of F. J. Winchell, deceased.

FLORIDA

Alton V. Cain, Shalimar, Fla., in place of D. F. Fager, retired.

Leonard F. Stansel, Wellborn, Fla., in place of E. F. Mosley, retired.

GEORGIA

R. Guy Thomas, Milan, Ga., in place of W. C. Marchant, transferred.

Charles L. Ricks, Soperton, Ga., in place of C. T. Ware, removed.

ILLINOIS

Glenn A. Thompson, Denver, Ill., in place of J. M. Botkin, retired.

Harry G. Miller, Mount Carmel, Ill., in place of Fay Moyer, removed.

MASSACHUSETTS

Bernard E. Hickey, Griswoldville, Mass., in place of W. E. Miller, deceased.

James F. Higgins, Hingham, Mass., in place of G. L. Magner, retired.

MINNESOTA

Matt J. Pecarina, Parkville, Minn., in place of M. L. Snell, retired.

MISSOURI

W. Pleas Wilson, Paris, Mo., in place of N. K. Deaver, retired.

John Hoshor, Savannah, Mo., in place of F. H. Kurz, retired.

NEBRASKA

Leo D. Coslett, Mead, Nebr., in place of E. A. Carlson, retired.

NEW JERSEY

Anthony P. DiVenuto, Union, N.J., in place of J. A. Douglass, retired.

NEW MEXICO

Eleuterio J. Martinez, Santa Fe, N. Mex., in place of E. M. Berardinelli, retired.

NEW YORK

George F. Mahar, Copenhagen, N.Y., in place of B. J. Buchal, retired.

Benjamin T. Smolenski, New Suffolk, N.Y., in place of G. V. Horton, retired.

William C. Fleckenstein, West Valley, N.Y., in place of C. J. Fleckenstein, retired.

NORTH CAROLINA

Sidney Hofler, Washington, N.C., in place of S. R. Fowle, Jr., retired.

OHIO

Gayle A. Bowman, Bryan, Ohio, in place of H. G. Butler, retired.

Michael J. Lotko, Jr., Elyria, Ohio, in place of N. W. Smith, retired.

Irven E. Barcus, Sr., Johnstown, Ohio, in place of C. A. Benedict, retired.

Don F. Shuler, Troy, Ohio, in place of W. H. Hitchcock, retired.

OKLAHOMA

Louella F. Tabor, Carter, Okla., in place of F. F. Johnson, retired.

Robert L. Harrison, Fairview, Okla., in place of E. A. Ratzlaff, retired.

Ruth M. Phillips, Gore, Okla., in place of E. E. Johnston, retired.

OREGON

Marjorie E. Leach, Bonneville, Oreg., in place of B. R. List, retired.

PENNSYLVANIA

John D. Stroup, Belleville, Pa., in place of A. B. Carson, deceased.

Erma L. Loose, Dauberville, Pa., in place of W. P. Noecker, retired.

SOUTH DAKOTA

John C. Travis, Mound City, S. Dak., in place of J. E. Hanson, deceased.

TEXAS

Mark T. Belew, Vernon, Tex., in place of J. B. Hardin, retired.

VERMONT

William E. Flower, Woodstock, Vt., in place of M. M. Flower, retired.

VIRGINIA

J. White Marcum, Rose Hill, Va., in place of N. L. Stickley, retired.

WASHINGTON

Melvin F. Thompson, Brinnon, Wash., in place of C. V. Dorothy, retired.

Elver R. Buckley, Wilbur, Wash., in place of A. H. Gerl, retired.

WISCONSIN

Donald S. Weindenfeller, Hollandale, Wis., in place of R. T. Burns, resigned.

Roy H. Kreger, Lomira, Wis., in place of M. B. Weyer, retired.

Richard W. Beranek, New Berlin, Wis. Office established September 1, 1962.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 3, 1964

The House met at 12 o'clock noon.

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

Hosea 14: 9: *The ways of the Lord are right, and the just shall walk in them.*

O Thou who art always inclining our hearts to come unto Thee in the fellowship of prayer, create within us a vision of the worth and dignity of our human life.

May we seek to make our life an example which never is a blight spreading an influence that is dark and devastating but a blessing which radiates health and happiness throughout the world.

Grant that we may receive Thy divine wisdom and guidance to recognize each day's meaning and mission and may we desire and do what is best for ourselves, for our country, and all mankind.

Inspire us as the stewards of time and talents to endeavor faithfully to bring to fulfillment and fruition all the noble aspirations which Thou hast planted within our souls.

In Christ's name we offer our prayers. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, July 30, 1964, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 2, 1964:

H.R. 3348. An act to amend section 316 of the Social Security Amendments of 1958 to extend the time within which teachers and other employees covered by the same retirement system in the State of Maine may be treated as being covered by separate retirement systems for purposes of the old-age, survivors, and disability insurance program;

H.R. 3496. An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1965;

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. 7152. An act to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes; and

H.R. 8459. An act to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organizations and operations;

On July 3, 1964:

H.R. 2726. An act for the relief of John F. Wood of Newport News, Va.

On July 7, 1964:

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. 2664. An act to amend section 6(o) of the Universal Military Training and Service Act to provide an exemption from induction for the sole surviving son of a family whose father died as a result of military service;

H.R. 3941. An act to amend section 902 of title 38, United States Code, to eliminate the offset against burial allowances paid by the Veterans' Administration for amounts paid by burial associations;

H.R. 5514. An act to direct the Secretary of the Interior to sell certain public lands in the State of Arizona;

H.R. 6777. An act to amend section 712 of title 38 of the United States Code to provide for waiver of premiums for certain veterans holding national service life insurance policies who become or have become totally disabled before their 65th birthday;

H.R. 6920. An act to amend section 715 of title 38, United States Code, to authorize, under certain conditions, the issuance of total disability income provisions for inclusion in national service life insurance policies to provide coverage to age 65;

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;

H.R. 9094. An act to authorize the President to declare July 9, 1964, as Monocacy Battle Centennial in commemoration of the 100th anniversary of the Battle of the Monocacy.

H.R. 9311. An act to continue for 2 years the existing suspensions of duty on certain alumina and bauxite;

H.R. 9740. An act to establish the Roosevelt Campobello International Park, and for other purposes; and

H.R. 10433. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

On July 9, 1964:

H.R. 5478. An act authorizing a survey of the Frio River in the vicinity of Three Rivers, Tex., in the interest of flood control and allied purposes;

H.R. 9876. An act to amend the Juvenile Delinquency and Youth Offense Control Act of 1961 by extending its provisions for 2 additional years and providing for a special project and study; and

H.J. Res. 475. Joint resolution to authorize the President to proclaim December 7, 1966, as Pearl Harbor Day in commemoration of the 25th anniversary of the attack on Pearl Harbor.

On July 11, 1964:

H.R. 5408. An act for the relief of Jackie Bergancia Smith;

H.R. 5501. An act for the relief of Wieslawn Marianna Borczon;

H.R. 10053. An act to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies;

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;

On July 14, 1964:

H.R. 2735. An act for the relief of Ligia Pauline Jimenez;

H.R. 2737. An act for the relief of Pedro Aguinaldo;

H.R. 6385. An act for the relief of Wolfgang Seidl;

H.R. 6473. An act for the relief of Mr. and Mrs. Loward D. Sparks;

H.R. 6923. An act authorizing a survey of Cedar Bayou, Tex., in the interest of flood control and allied purposes;

H.R. 8590. An act to incorporate the Aviation Hall of Fame;

H.R. 10407. An act for the relief of Keith Hills;

H.R. 10437. An act to incorporate the National Committee on Radiation Protection and Measurements;

H.R. 11004. An act 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;

H.R. 11235. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 11 million pounds of molybdenum from the national stockpile;

H.R. 11257. An act 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; and

H.J. Res. 950. Joint resolution granting the consent of Congress to an amendment to the compact between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake.

On July 16, 1964:

H.R. 9234. An act to incorporate the Little League Baseball, Inc.

On July 17, 1964:

H.R. 6455. An act to amend subsection (b) of section 512 of the Internal Revenue Code of 1954 (dealing with unrelated business taxable income).

On July 21, 1964:

H.R. 4811. An act for the relief of Mrs. Marjorie Curtis; and

H.R. 10392. An act authorizing the Commissioners of the District of Columbia to locate a portion of a vehicular tunnel under parts of the U.S. Capitol Grounds and the U.S. Botanic Garden grounds, and for other purposes.

On July 23, 1964:

H.R. 287. An act to amend title II of the Social Security Act to include Nevada among those States which are permitted to divide their retirement systems into two parts for purposes of obtaining social security coverage under Federal-State agreement.

On July 28, 1964:

H.R. 393. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H.R. 6237. An act to amend section 503 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize grants for the collection, reproduction, and publication of documentary source material significant to the history of the United States, and for other purposes;

H.R. 6299. An act to authorize the Secretary of the Navy to produce and sell crude oil from the Umiat field, Naval Petroleum Reserve No. 4, for the purpose of making local fuel available for use in connection with the drilling, mechanical, and heating operations of those involved in oil and gas exploration and development work in the nearby areas outside Naval Petroleum Reserve No. 4, and for other purposes;

H.R. 7248. An act to change the designated use of certain real property conveyed by the Department of the Air Force to the city of Fort Walton Beach, Fla., under the terms of Public Law 86-194;

H.R. 7499. An act to authorize the Secretary of the Air Force or his designee to convey 0.25 acre of land to the city of Oroville, Calif.;

H.R. 10736. An act to authorize the Secretary of the Navy to adjust the legislative jurisdiction exercised by the United States over lands comprising the United States naval hospital, Portsmouth, Va.; and

H.J. Res. 888. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the 91st annual session of the Imperial Council, Ancient Arabic Order of the Nobles of the Mystic Shrine for North America, to be held in Washington, D.C., in July 1965, to authorize the granting of certain permits to "Imperial Shrine Convention, 1965, Inc.," on the occasions of such sessions, and for other purposes.

On August 1, 1964:

H.R. 7346. An act for the relief of certain officers and employees of the U.S. Public Health Service;

H.R. 8313. An act to repeal the District of Columbia Credit Unions Act, to convert credit unions incorporated under the provisions of the act to Federal credit unions, and for other purposes;

H.R. 8415. An act for the relief of Maj. Keith K. Lund;

H.R. 8746. An act for the relief of Roger A. Ross;

H.R. 9036. An act to amend the act of October 24, 1951 (65 Stat. 634; 40 U.S.C. 193 (n)–(w)), as amended, relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus;

H.R. 9280. An act for the relief of Donald J. Kent;

H.R. 9615. An act for the relief of John A. Peralta.

H.R. 9833. An act granting a renewal of patent No. D–162,975, relating to a medal of the American Legion;

H.R. 9834. An act granting a renewal of patent No. D–161,955, relating to a plaque of the American Legion;

H.R. 10066. An act for the relief of Joe C. Oden;

H.R. 10800. An act to authorize certain construction at military installations, and for other purposes;

H.R. 10322. An act to extend the provisions of the act of August 11, 1959, Public Law 86–155, as amended (74 Stat. 396) to provide improved opportunity for promotion for certain officers in the naval service; and

H.R. 10532. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1965, and for other purposes.

MESSAGE FROM THE SENATE

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

H.R. 1892. An act to repeal the Act of October 22, 1919 (41 Stat. 293; 43 U.S.C. 351–355, 357–360);

H.R. 2977. An act to authorize the sale of certain lands of the Cheyenne River Sioux Tribe;

H.R. 2989. An act to further amend the Missing Persons Act to cover certain persons detained in foreign countries against their will, and for other purposes;

H.R. 4739. An act to amend section 406 of title 37, United States Code with regard to the advance movement of dependents and baggage and household effects of members of the uniformed services;

H.R. 5302. An act to direct the Secretary of the Interior to convey certain lands in the Newton area, California, to Clarence J. Wilder;

H.R. 6007. An act to permit the vessel SC–1473 to engage in the fisheries;

H.R. 7215. An act to direct the Secretary of the Interior to convey certain lands to the Citizen Band of Potawatomi Indians and certain other lands to the Absentee Shawnee Tribe of Indians, and for other purposes;

H.R. 7833. An act to amend the act entitled "An act to provide for the distribution of the land and assets of certain Indian rancherias and reservations in California, and for other purposes," approved August 18, 1958 (72 Stat. 619);

H.R. 8523. An act to authorize the conveyance of certain lands to the city of Saxman, Alaska;

H.R. 8654. An act to terminate a restriction on use with respect to certain land previously conveyed to the city of Fairbanks, Alaska, and to convey to said city the mineral rights in such land;

H.R. 9634. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1965 Girl Scouts senior roundup encampment, and for other purposes;

H.R. 10041. An act to improve the public health through revising, consolidating, and improving the hospital and other medical facilities provisions of the Public Health Service Act;

H.R. 10319. An act to amend title 10, United States Code, to authorize increased fees for the sale of U.S. Naval Oceanographic Office publications;

H.R. 10483. An act to authorize the sale of 58.19 acres of Eastern Shawnee tribal land in Oklahoma;

H.R. 10973. An act to provide for the disposition of judgment funds on deposit to the credit of the Lower Pend D'Oreille or Kalispel Tribe of Indians; and

H.R. 11035. An act to authorize the extension of certain naval vessel loans now in existence.

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

H.R. 189. An act to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California;

H.R. 1988. An act to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands;

H.R. 3198. An act to promote the economic and social development of the Trust Territory of the Pacific Islands, and for other purposes;

H.R. 5837. An act to amend the act entitled "An act to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes", approved July 28, 1955;

H.R. 6496. An act to authorize the Secretary of the Interior to convey certain federally owned land in trust status to the Cherokee Indian Tribe of Oklahoma;

H.R. 8334. An act to transfer to the Salt River Pima-Maricopa Indian community certain lands within the Salt River Pima-Maricopa Indian Reservation;

H.R. 8864. An act to carry out the obligations of the United States under the International Coffee Agreement, 1962, signed at New York on September 28, 1962, and for other purposes;

H.R. 11118. An act to provide for the disposition of funds from judgments in favor of the Nehalem Band of the Tillamook Indians and the Tillamook Band of the Tillamook Indians; and

H.R. 11611. An act to establish a National Commission on Technology, Automation, and Economic Progress.

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

H.R. 10199. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1965, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of West Virginia, Mr. HUMPHREY, Mr. BARTLETT, Mr. ELLENDER, Mr. STENNIS, Mr. BIBLE, Mr. CASE, Mr. COTTON, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

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

S. 91. An act to authorize the establishment of the Fort Bowie National Historic Site, in the State of Arizona, and for other purposes;

S. 970. An act to authorize the Secretary of Commerce to utilize funds received from State and local governments for special meteorological services;

S. 1531. An act to increase the appropriation authorization for the completion of the construction of the irrigation and power systems of the Flathead Indian irrigation project, Montana;

S. 1666. An act to amend section 3 of the Administrative Procedure Act, chapter 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information, and for other purposes;

S. 1778. An act to amend the Wool Products Labeling Act of 1939 to authorize the Federal Trade Commission to exclude from the provisions of the act wool products with respect to which the disclosure of wool fiber content is not necessary for the protection of the consumer;

S. 2552. An act to exempt oceanographic research vessels from the application of certain vessel inspection laws, and for other purposes;

S. 2995. An act to amend section 511(h) of the Merchant Marine Act (1936), as amended, in order to extend the time for commitment of construction reserve funds;

S. 3049. An act to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes;

S. 3060. An act to amend and extend the National Defense Education Act of 1958 and to extend Public Laws 815 and 874, 81st Congress (federally affected areas);

S. 3062. An act to provide for the withholding and the forfeiture of the pay and allowances of certain members of the uniformed services who, while prisoners of war, aid the enemy or are guilty of other misconduct, and for other purposes; and

S. 3063. An act to amend title 10, United States Code, to make permanent the authority for flight instruction for members of Reserve Officers' Training Corps, and for other purposes.

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

S. 978. An act to provide medical care for certain persons engaged on board a vessel

in the care, preservation, or navigation of such vessel.

The message also announced that the Senate agrees to the amendments of the House to Senate amendments numbered 1 and 2 to the bill (H.R. 10503) entitled "An act to authorize appropriations for the fiscal years 1966 and 1967 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

The message also announced that the Senate recedes from its amendment numbered 3 to the bill (H.R. 7381) entitled "an act to simply, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes."

The message also announced that the President pro tempore had appointed Mr. COOPER to be a member on the part of the Senate to the Interparliamentary Union Conference to be held in Copenhagen, Denmark, August 20 to 28, 1964, vice Mr. TOWER.

The message also announced the appointment of Mr. STENNIS to be an additional conferee on the bill (H.R. 10939) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1965, and for other purposes."

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1965

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10199) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1965, and for other purposes, with the Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. NATCHER, GIAIMO, MAHON, WILSON of Indiana, and WYMAN.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1965

Mr. STEED. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10723) making appropriations for the legislative branch for the fiscal year ending June 30, 1965, and for other purposes, with Senate amendments thereto, concur in the Senate amendments Nos. 1 through 28, inclusive, and No. 38, disagree to the remainder of the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Resolved, That the bill from the House of Representatives (H.R. 10723) entitled "An Act making appropriations for the Legislative Branch for the fiscal year ending June 30, 1965, and for other purposes", do pass with the following:

Page 1, after line 6, insert:

"SENATE

"Compensation of the Vice President and Senators, mileage of the President of the Senate and Senators, and expense allowances of the Vice President and Leaders of the Senate"

Page 1, after line 6, insert:

"Compensation of the Vice President and Senators

"For compensation of the Vice President and Senators of the United States, $2,471,140."

Page 1, after line 6, insert:

"Mileage of President of the Senate and of Senators

"For mileage of the President of the Senate and of Senators, $58,370."

Page 1, after line 6, insert:

"Expense Allowances of the Vice President, and Majority and Minority Leaders

"For expense allowance of the Vice President, $10,000; Majority Leader of the Senate, $2,000; and Minority Leader of the Senate, $2,000; in all, $14,000."

Page 1, after line 6, insert:

"Salaries, officers and employees

"For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions and longevity compensation as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:"

Page 1, after line 6, insert:

"Office of the Vice President

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in basic multiples of $5 per month, $136,710."

Page 1, after line 6, insert:

"Chaplain

"Chaplain of the Senate, $9,430."

Page 1, after line 6, insert:

"Office of the Secretary

"For office of the Secretary, $918,400, including $128,000 required for the purposes specified and authorized by section 74b of title 2, United States Code: *Provided*, That effective July 1, 1964, the Secretary may employ an assistant at $2,460 basic per annum, an assistant messenger at $1,980 basic per annum, an assistant messenger at $1,740 basic per annum, and an assistant messenger at $1,500 basic per annum, in lieu of the positions authorized by S. Res. 419, agreed to January 28, 1931, S. Res. 372, agreed to December 18, 1930, S. Res. 340, agreed to December 3, 1930, and S. Res. 204, agreed to June 16, 1938, which resolutions are hereby repealed; and the basic amount available for clerical assistance and readjustment of salaries in the disbursing office is increased by $720."

Page 1, after line 6, insert:

"Committees Employees

"For professional and clerical assistance to standing committees and the Select Committee on Small Business, $2,731,965."

Page 1, after line 6, insert:

"Conference Committees

"For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $82,740.

"For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $82,740."

Page 1, after line 6, insert:

"Administrative and Clerical Assistants to Senators

"For administrative and clerical assistants and messenger service for Senators, $13,731,170."

Page 1, after line 6, insert:

"Office of Sergeant at Arms and Doorkeeper

"For office of Sergeant at Arms and Doorkeeper, $2,757,350: *Provided*, That effective July 1, 1964, the Sergeant at Arms may employ a messenger at $1,800 basic per annum, two messengers at $1,740 basic per annum each, two laborers at $1,560 basic per annum each, and eight special employees at $1,000 basic per annum each, in lieu of the positions authorized by S. Res. 428, agreed to February 17, 1931, S. Res. 62, agreed to December 15, 1931, S. Res. 83, agreed to December 17, 1931, S. Res. 453, agreed to February 26, 1931, S. Res. 44, agreed to April 11, 1933, and S. Res. 212, agreed to February 15, 1954, which resolutions are hereby repealed: *Provided further*, That effective July 1, 1964, the Sergeant at Arms may also employ one additional addressograph operator at $2,160 basic per annum."

Page 1, after line 6, insert:

"Offices of the Secretaries for the Majority and the Minority

"For the offices of the Secretary for the Majority and the Secretary for the Minority, $135,195."

Page 1, after line 6, insert:

"Offices of the Majority and Minority Whips

"For four clerical assistants, two for the Majority Whip and two for the Minority Whip, at rates of compensation to be fixed in basic multiples of $60 per annum by the respective Whips, $15,165 each; in all, $30,330."

Page 1, after line 6, insert:

"Official Reporters of Debates

"For office of the Official Reporters of Debates, $240,760."

Page 1, after line 6, insert:

"Office of the Legislative Counsel of the Senate

"For salaries and expenses of the Office of the Legislative Counsel of the Senate, $252,530."

Page 1, after line 6, insert:

"Contingent expenses of the Senate

Page 1, after line 6, insert:

"Senate Policy Committees

"For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $175,585 for each such committee; in all, $351,170."

Page 1, after line 6, insert:

"Automobile and Maintenance

"For purchase, exchange, driving, maintenance, and operation of four automobiles, one for the Vice President, one for the President Pro Tempore, one for the Majority Leader, and one for the Minority Leader, $39,840."

Page 1, after line 6, insert:

"Furniture

"For service and materials in cleaning and repairing furniture, and for the purchase of furniture, $31,190: *Provided*, That the furniture purchased is not available from other agencies of the Government."

Page 1, after line 6, insert:

"Inquiries and Investigations

"For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, including $380,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $4,275,760."

Page 1, after line 6, insert:

"Folding Documents

"For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $2.03 per hour per person, $36,700."

Page 1, after line 6, insert:

"Mail Transportation

"For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $16,560."

Page 1, after line 6, insert:

"Miscellaneous Items

"For miscellaneous items, exclusive of labor, $2,660,790, including $85,000 for payment to the Architect of the Capitol in accordance with section 4 of Public Law 87-82, approved July 6, 1961."

Page 1, after line 6, insert:

"Postage Stamps

"For postage stamps for the Offices of the Secretaries for the Majority and Minority, $140; and for airmail and special-delivery stamps for Office of the Secretary, $160; Office of the Sergeant at Arms, $125; Senators and the President of the Senate, as authorized by law, $61,610; in all, $62,035."

Page 1, after line 6, insert:

"Stationery (Revolving Fund)

"For stationery for Senators and the President of the Senate, $242,400; and for stationery for committees and officers of the Senate, $13,200; in all, $255,600, to remain available until expended."

Page 1, after line 6, insert:

"Communications

"For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U.S.C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U.S.C. 46d-1), $15,150."

Page 1, after line 6, insert:

"Administrative Provision

"The table contained in section 4(f) of the Federal Employees' Salary Increase Act of 1955 (Public Law 94, Eighty-fourth Congress, approved June 28, 1955), as amended, is amended to read as follows:

"States having a population of—

	Amount of increase
"Less than 3,000,000	$10,740.
3,000,000 but less than 4,000,000	13,740.
4,000,000 but less than 5,000,000	16,740.
5,000,000 but less than 7,000,000	19,740.
7,000,000 but less than 9,000,000	22,740.
9,000,000 but less than 10,000,000	25,740.
10,000,000 but less than 11,000,000	28,740.
11,000,000 but less than 12,000,000	31,740.
12,000,000 but less than 13,000,000	34,740.
13,000,000 but less than 15,000,000	37,740.
15,000,000 but less than 17,000,000	40,740.
17,000,000 or more	43,740."

Page 16, after line 6, insert:

"Senate Office Buildings

"For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; including eight attendants at $1,800 each; for the care and operation of the Senate Office Buildings, including the subway and subway transportation systems connecting the Senate Office Buildings with the Capitol; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all, $2,414,500: *Provided*, That the unobligated balance of the appropriation under this head for the fiscal year 1964 is hereby continued available until June 30, 1965."

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

Mr. SCHENCK. Mr. Speaker, reserving the right to object in order to discuss with my colleague, the chairman of this subcommittee, the request of the Government Printing Office for a new $50 million printing plant. I read in the RECORD that the other body included a certain amount of money in this legislative appropriation bill for planning and so on. I feel that this item needs very careful checking.

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

Mr. SCHENCK. I am glad to yield to the gentleman.

Mr. STEED. I may say to the gentleman that members of the subcommittee are also concerned about this item. We are presently having some research work done on it and also as to how definite we are as to the site where this proposed building would be erected. I understand that the Committee on Public Works of the House and the Senate, by resolution under the Public Buildings Act of 1959, have approved this building, but since this is apparently a sort of special-purpose building, the question as to whether these committees had that authority has been raised. We intend to go into that before we go to conference. If the gentleman has any information that would be helpful to us and the subcommittee, we would be very pleased to have him present it to us.

Mr. SCHENCK. Mr. Speaker, further reserving the right to object, I would like to say that the Public Printer appeared before the Joint Committee on Printing, of which I am a member, and requested permission of our committee that he be permitted to present his request for this new $50 million building to the Committee on Public Works on its merits. Further I would tell my colleague, the chairman of the subcommittee, I think the records of our Joint Committee on Printing will show that the committee granted his request to appear before the Committee on Public Works to discuss this on its merits.

But when the Public Printer appeared before the Committee on Public Works he stated, and I quote, "It was favorably endorsed by the Joint Committee on Printing." Mr. Speaker, our Joint Committee on Printing never endorsed this new building. We merely granted permission for the Public Printer to go before the Committee on Public Works. It was our understanding, of course, that this would be handled the same as any other request for public buildings; that it would have hearings; and that the House and the other body would both have an opportunity to vote on its authorization and that it would receive proper consideration throughout. However, it seems as though under the Public Buildings Act of 1959, this whole usual procedure was short circuited and the committee itself granted the approval to the General Services Administration and assigned a project number. I think that such action is open to a great deal of question. I also think that the whole matter of relocating and constructing a new building is open to a great deal of question. I think that matter of spending some $50 million of the taxpayers' money for a new Government Printing Office is a highly important matter that ought to be more carefully and fully considered.

Mr. Speaker, I have here a resolution, one of many that I have received, adopted by the Association of Georgia Printers at their annual convention in Atlanta, at which they object to this proposal and ask that this be incorporated in the record. So, Mr. Speaker, I would be happy to give this resolution to my colleague, the chairman of the subcommittee, along with all the other information I have on this matter. I hope that the committee will carefully consider this very important question to the fullest extent possible.

Mr. STEED. Mr. Speaker, I will say to the gentleman that when this subcommittee had the matter before it earlier this year, the Public Printer did appear and made a presentation in favor of the project. But since at that time it had not been authorized, we omitted the entire item. Between the time the House acted on the legislative appropriation bill for 1965 and the other body took it up, these two committees did pass resolutions and since the chairman of the Senate Appropriations Committee is also chairman of the Joint Committee on Printing another hearing was held before the Senate subcommittee in which they went into the matter in some detail.

After the Senate acted, the matter of the correctness of the two Public Works Committees of the two bodies having authority to approve the building was raised.

There is one point that I think we ought to keep in mind. The amount of money in this bill only has to do with the plans and specifications. There would still have to be at some later date the matter of actually appropriating the money to go ahead with the construction. As far as I am concerned, the question as to where this building will be located is at this time not satisfactory. I want more information than I now have on it before I reach a final decision as to whether we ought to go along with the other body or insist that this be left over for further action by the Congress.

Mr. SCHENCK. Mr. Speaker, further reserving the right to object, I want again to say to my friend, the chairman of this subcommittee, that the Joint Committee on Printing did not endorse this new building.

It was my personal written request to the chairman of the Joint Committee on Printing, a copy of which I have here, that the staff of the Joint Committee on Printing should make a very careful, complete, and full-scale study as to the merits or demerits of this building and its needs, and fully justify it. Also that, before any further action is taken on the proposed construction of a new Government printing plant, that the Joint Committee on Printing consider and approve the proposal by taking official action on it.

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

Mr. SCHENCK. I yield to my friend from Iowa.

Mr. GROSS. When the gentleman mentioned the fact that there is planning money in this bill, that is the foot in the door. We have learned to our sorrow around here that once the planning money is provided and specifications are laid out it is usually too late to do very much about it. I will be interested to know, with the gentleman from Oklahoma [Mr. STEED] and the gentleman from Ohio [Mr. SCHENCK] where this new $50 million building is going to be located. The Government land in Anacostia represented by the closing of the Anacostia Naval Airbase and the Bolling Field Airbase, and yet it appears that someone wants to go out and purchase what may be expensive land in Maryland or Virginia for this new printing plant.

Mr. SCHENCK. Mr. Speaker, may I reply to my friend from Iowa that the matter of the Bolling Field location was discussed, not fully discussed, but it was mentioned, when the Public Printer appeared before the Joint Committee on Printing. It was pointed out that even that location presented many difficult problems so far as the transportation of employees was concerned, employees who work various shifts around the clock at the Government Printing Office. So there are many questions both as to location and the desirability of the location and the actual need of the building and whether or not this building could be authorized under the Public Buildings Act of 1959 as indicated here.

Mr. STEED. Mr. Speaker, I might say to the gentleman that these factors have been of great concern to me and I am sure my subcommittee shares some of the same feeling about it. I am particularly anxious, if we can get it, to have some guidance from the joint committee.

Also, I think that the House would like to know a little more about where the building, if it is authorized or if it is going to be built, will be located.

I certainly would not at the present time want to take any further steps unless we do have either some further assurance that the location will be satisfactory or that we can restrict this thing in some way and go further into the matter before a final decision on the location is made.

Mr. SCHENCK. Mr. Speaker, further reserving the right to object, do I understand from my colleague the gentleman from Oklahoma [Mr. STEED], the chairman of the subcommittee, that his committee will expect to go into this matter very thoroughly, and in all probability will recommend that it not be included in the legislative appropriation bill for this present fiscal year?

Mr. STEED. If the gentleman will yield further, I do not know what the final decision will be, but certainly we welcome all the help and guidance we can get, because at this moment we have some very serious questions about the whole proposition.

It is my belief that it would be the best procedure for us to get these matters cleared up before we go any further.

Mr. SCHENCK. Mr. Speaker, I withdraw my reservation.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to inquire with respect to the new section 105 to be found on page 36 of the bill, that section relating to the reporting of payrolls and expenditures for various purposes.

Do I understand section 105 will be in conference, or does the gentleman's unanimous-consent request adopt this section as of now?

Mr. STEED. Mr. Speaker, if the gentleman will yield, section 105 will be in conference.

There are further technical points that have come up with respect to it to which I believe we will have to give further thought before we make final agreement.

We are all trying to find the most satisfactory way to carry out the wishes and intent of section 105. Our problem is how we can accomplish the intent of it without some technical difficulties that now confront us.

Mr. GROSS. Since it is to go to conference I shall not prolong my questioning concerning section 105 at this time, but I would hope when the conference report is made that the gentleman will be prepared to explain to the Members of the House what has transpired because the basis for this amendment originated in the House, as the gentleman well knows when the appropriation bill was pending before the House.

Mr. STEED. That is correct.

If the gentleman has done any thinking on this particular point, the subcommittee would welcome any advice and help he can give us in trying to work out the final version that will carry out the intent and purpose of the section and still not leave us handcuffed with some technicalities that have been brought up first when the House version was adopted and then since the Senate version has been adopted.

It is a very difficult matter. Even the General Accounting Office is having some difficulty with the language as it now stands.

We shall try to find some means of carrying out this purpose without involving ourselves in some technicalities that will do more harm than good.

Mr. GROSS. I thank the gentleman for that explanation.

I call the gentleman's attention to the amendment by the other body on page 24 of the bill, and I ask if this change in the name of the Legislative Garage to the Senate Garage has any meaning of exclusion insofar as Members of the House may be concerned?

Mr. STEED. If the gentleman will yield, it does not until July 1, 1965, by which time, before which time, the assumption is that the parking spaces in the Rayburn Building will be available to Members of the House.

Under those circumstances the leadership has seen fit to consent to relinquish the part of the Senate Garage that the House has traditionally had possession of.

Mr. GROSS. So I am given to understand that after July 1, 1965, what is now known as the Legislative Garage will not be available to Members of the House; is that correct?

Mr. STEED. If this amendment is agreed to, that would be so. Of course, that still has to be decided in conference.

Mr. GROSS. This question will go to conference?

Mr. STEED. That is correct.

Mr. GROSS. I thank the gentleman.

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

The Chair hears none and appoints the following conferees: Messrs. STEED, KIRWAN, MAHON, HORAN, and LANGEN.

SUBCOMMITTEE ON FLOOD CONTROL OF THE COMMITTEE ON PUBLIC WORKS

Mr. OLSEN of Montana. Mr. Speaker, I ask unanimous consent that the Subcommittee on Flood Control of the Committee on Public Works may be permitted to sit Wednesday afternoon during general debate to take certain testimony.

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

There was no objection.

E. A. ROLFE, JR.

Mr. ASHMORE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2215) for the relief of E. A. Rolfe, Jr., with Senate amendment thereto, disagree to the Senate amendment and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following confereees: Messrs. ASHMORE, DOWDY, LIBONATI, SHRIVER, and KING of New York.

RANGER 7

Mr. ALBERT. 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. ALBERT. Mr. Speaker, the entire Nation is proud and elated by the success of Ranger 7. The National Aeronautics and Space Administration's program for unmanned investigation of space has achieved a breakthrough of proportions far beyond our highest expectation. Our scientists and technicians have obtained pictures showing lunar detail within a distance of half a mile, not by a factor of 10 which had been hoped for in this flight, nor by a factor of 100, which would have been remarkable, but by a historic factor of 1,000. For the first time lunar information has been obtained at a range closer than our best telescopic record of a distance equivalent to 500 miles. The new data on the lunar surface constitutes a major milestone in our efforts to land our astronauts. It will allow our scientists much greater accuracy in building the lunar excursion module and landing equipment, in planning the trip, in estimating landing conditions, and in devising the descent route.

The validity of the space program has been reconfirmed and the American people are paying tribute to the efforts of all the scientists and technicians who have made it possible. Dr. Homer E. Newell, the Associate Administrator for Space Science and Applications, who directs NASA's unmanned investigation of space; Dr. William H. Pickering, the director of the propulsion laboratory operated by the California Institute of Technology at Pasadena; and Dr. Gerard P. Kuiper, the principal investigator on Ranger 7, are leading among the many members of the Ranger team, who together with various subordinate agencies and contractors have attained the vital data heretofore unavailable to the space exploration effort.

Mr. James Webb, a former Oklahoman, has put together one of the most competent organizations and is executing one of the most successful programs in the history of the Republic. We commend these great Americans, one and all.

MACHINES IN SPACE

Mr. WYMAN. 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 New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Speaker, the photographs of the moon's surface taken by cameras built into Ranger 7 and by these cameras transmitted a quarter of a million miles away back to earth and there reproduced on television screens with utmost clarity is a great tribute to the scientific progress of our experts in America's space program. Ranger 7 is a highly technical success.

Furthermore, it is a success in the right direction; namely, the use of machines to photograph and survey the moon before we undertake to send human beings there. I heartily endorse and support those aspects of our space program that emphasize and profit from the use of machines such as cameras, weather satellites, radio signals, radar, and all the other instruments of a modern scientific world of wonders.

But manned space flight is something else. Once a man is put into a capsule and launched into the vacuum that is space, perfectly staggering costs are involved to keep him alive. From space suits to food, to the basic necessities of human animal life, keeping a man in space is a fantastically expensive proposition. Our taxpayer's burden is almost backbreaking.

The Apollo program does not need to be called off. Congressmen like myself may be skeptical, but they recognize that this is the space age. The trouble with the Apollo program is a very simple one. It is the same trouble that the great majority of us have in running our personal affairs. It is, simply, that there is not enough money to do all the things we would like to do, whether it is in space programs or heart disease or oceanography. The Apollo program aims to put a man on the moon by sending several men to the moon in a space vehicle containing another space vehicle that will separate from the larger craft, descend to the surface of the moon, ultimately return to the same larger craft that is all the while racing around the moon in what is called lunar orbit at speeds in excess of 17,000 miles per hour, and then return the whole apparatus to earth.

Frankly, Mr. Speaker, with all due respect to the great scientists and learned men who comprise the dedicated workers of the National Aeronautics and Space Administration, now so encouraged and happy that some cameras have taken pictures of the moon's surface, I have serious doubt whether men can effect such a rendezvous capability in space and more particularly in lunar orbit. The niceties of a joinder and separation at 17,000+ miles per hour are exceedingly intricate, to understate the fact.

Despite this indisputable area of conjecture, and despite the fact we should wait until we know this is possible, we on the Appropriations Committee and ultimately the Congress are being asked to appropriate hundreds of millions of dollars to mock up and build the lunar excursion module and other capsules that, if to be used at all, cannot be used for several years and which may never be able to be used at all. To this extent, I believe that Congress should hold back on the appropriations for Apollo space vehicle procurement until we have established that man can rendezvous in space by completing successfully the present Gemini program. Let us keep on with our space programs but let us be sure that they are conceived with a realistic measure of pragmatism and continued in the realization that there are not enough dollars to do everything all at once.

An editorial in yesterday's New York Times complimentary to Ranger 7's accomplishment stresses the need to do more with machines at this stage before we commit too much to the manned space flight program so fraught with uncertainties.

And, of course, the first thing that should be changed is the 1970 target date, for there is no need to establish a target date in any event—except, of course, to create an atmosphere in the Congress of pressure for continued haste in appropriating and spending billions of sorely needed taxpayers' dollars, some in the wrong direction.

The New York Times editorial entitled "Triumph for Ranger 7" reads as follows:

TRIUMPH FOR RANGER 7

Publication of the first sample of lunar pictures taken by Ranger 7 confirms with extraordinary force that this rocket's flight has been one of the most successful and productive experiments in scientific history. The exquisite clarity of the closeups of the moon's surface transmitted to earth assure that this event will be recorded as the real beginning of serious human exploration of the moon from the neighborhood of that satellite.

The full exploitation and analysis of new information will take several years, but even the first preliminary study has cleared up major problems and dispelled previous ignorance on important matters. The principal conclusion, of course, is that much of the lunar surface is smooth enough to be suitable for safe landing on it of manned vehicles. Areas of extreme roughness, with numerous medium-sized and small craters previously unknown, have also been found, alerting Project Apollo planners to the importance of avoiding such regions. The fears reputable scientists had expressed earlier about the possibility that the moon was covered with a thick layer of dust, in which vehicles or men landing there might be buried, have been shown to be baseless.

The conception behind Ranger 7's flight has proved sound, and there is every reason for confidence that more such flights will greatly extend man's knowledge of lunar geography and topography. They should also help answer many questions about the forces that have shaped this satellite and its weird surface. Clearly, enormous amounts of information about the moon can be gathered by unmanned rockets, like Ranger 7, carrying cameras and other instruments.

As President Johnson indicated yesterday, the day is not distant when it will be possible to land men on the moon. But it is now plainer than ever that there is no great scientific necessity for racing to achieve this goal and thus vastly increasing the price in money and human peril. The potentiality for obtaining so much more information relatively cheaply from unmanned, instrument-carrying rockets strengthens the case for abandoning the arbitrary 1970 deadline for Project Apollo and substituting a schedule permitting orderly progress toward a manned voyage to the moon without hazards or costs indicated only by the desire to achieve this objective under maximum draft.

SPECIAL SHOWING OF PHOTOGRAPHS TAKEN OF THE MOON

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I desire to make the following special announcement:

There will be a special showing of photographs taken of the moon by the highly successful Ranger 7 at 10 a.m. on Wednesday, August 5, and again at 2

p.m., in the caucus room in the Cannon House Office Building.

This will be about a 45-minute presentation and will include a very interesting commentary.

All Members of the House and their staffs are cordially invited to attend.

RANGER 7

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, the successful completion of the mission of Ranger 7 is one of the great accomplishments of our generation. It is evidence of the superiority of America in the field of science and more particularly in the area of space sciences. All of America should realize that through this effort mankind will benefit in many ways. Placing a man on the moon will, of course, be a great achievement; however, it will be insignificant as compared to the wealth of knowledge which will accumulate as a result of that effort.

This most recent achievement is dramatic and exciting to the scientist and the layman alike. In knowledge there is great power and there is hope and fervent prayer that all of this might be used to benefit mankind and assure us of a world and universe where peace might prevail forever. The psalmist was mindful of the great power God had given to man when he said:

> What is man that Thou art mindful of him? * * *. Thou madest him to have dominion over the works of Thy hands.

Truly this great power is realized more than ever as man has extended his explorations beyond the limits of the planet, earth, and seeks to unveil the mysteries of the universe.

IMPORTATION OF MEAT AND MEAT PRODUCTS

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

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

There was no objection.

Mr. MORRIS. Mr. Speaker, there has been a lot of talk going on about the importation of meat and meat products, and about the agreement that was negotiated between our Government and the Government of Australia.

I want to read today for the House a quote from the Sydney Telegraph which says:

> Most of the relatively small cut, $15,068,000, out of the yearly exports of $179,200,000 to the United States should be recouped through the 3.7-percent increase. In any case experts are confident that Australia will not be hurt.

The article goes on to say that the cattlemen of Australia were very pleased with the agreement, and I for one do not blame them for feeling that way. After all, they got the best end of the bargain.

When the State Department made the announcement that the beef import resolution passed the Senate, a Mr. Phillips said that the legislation restricting imports of veal, mutton, lamb, and canned meat would not materially strengthen cattle prices and could mean retaliatory action against American exports. Mr. Phillips does not know that it would not help the cattle price. He does not know what would happen, and neither does anybody else. We do know that we have an excess supply of beef in this country, and we do know that at least 10 percent is coming from imports.

IMPORTATION OF BEEF, VEAL, LAMB, AND MUTTON

Mr. OLSEN of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. OLSEN of Montana. Today I introduced into the House a resolution (H. Res. 812) that the House concur and agree to the Senate version of H.R. 1839 to restrict the importation of beef, veal, lamb, and mutton.

Many months ago, I introduced a bill, H.R. 10082, in the House for the same purpose. Many other Members of the House did the same; however, the subject has never been brought up for hearing at this late date, the fastest and only method of legislative assistance for the cattlemen is for the House to pass my resolution.

The cattle industry is today one of the most significant elements in the American agricultural economy. For example, $1 of every $5 received from sales of agricultural products is derived from calves and cattle. Moreover, 30 percent of the U.S. corn crop and 70 percent of all harvested crops are consumed by American stock; and, of course, the beef industry indirectly affects the entire economy, from the large implement manufacturers to small local businesses.

The Senate passage of H.R. 1839 to restrict the importation of beef, veal, lamb, and mutton challenges the House of Representatives to respond in like manner to the problems facing American stockmen.

The establishment of import quotas will not, of course, completely solve the price dilemma which faces cattlemen. Yet imports add significantly to the low price problem; and the setting up of quotas would make a meaningful contribution to improving the outlook for the U.S. agricultural economy.

I hope and trust that the Committee on Rules will grant an early hearing and favorable action on my resolution House Resolution 812.

MEAT IMPORTS

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

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

There was no objection.

Mr. DORN. Mr. Speaker, I am today introducing a bill which will require all foreign meat imports into the United States to be labeled. These imports would be labeled with the country of origin. This bill would cover all meat imports from our allies and from Communist countries as well.

Mr. Speaker, cattle farmers are particularly depressed. Our cattle farmers are losing millions of dollars and many of them could be forced into bankruptcy. We have an oversupply of beef and livestock generally. It is incredible that this Nation should permit imports of livestock. For our own Government to permit these meat imports to flood our country without the consumer being aware of the country of origin is unbelievable.

The livestock prices and chaos in the livestock market warrants immediate consideration of this bill along with a bill to limit imports altogether.

WALTER JENKINS

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

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

There was no objection.

Mr. GROSS. Mr. Speaker, the serving of a subpena yesterday on Walter Jenkins, Special Assistant to President Johnson, may yet provide a moment of truth in the Bobby Baker scandals that have received such a heavy coating of whitewash.

The subpena was served in connection with the $300,000 damage action which Ralph L. Hill has brought against Baker, Fred G. Black, former lobbyist for North American Aviation, and the Serv-U Vending Corp.

It is understood the subpena calls upon Jenkins to give any information he may have on campaign contributions and advertising promotions in behalf of the Johnson television and radio interests in Texas.

It will be interesting to note how Jenkins responds to this subpena, and whether there is any White House interference.

There has already been too much whitewash. The public is entitled to the facts.

ECONOMIC OPPORTUNITY ACT OF 1964

Mr. FRELINGHUYSEN. 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 Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, the majority leader, quite rightly, has just now commended the achievements

of NASA with respect to Ranger's photographs of the moon a few days ago. He stated that detailed photographs of the moon would be available for showing to Members on Wednesday.

Unfortunately, there is also other business on Wednesday. The so-called poverty package, otherwise known as the Landrum-Powell bill, is up for consideration. As I have said before, I hope this unsound bill can be defeated. I took this time because I would like to call attention to the fact that other alternatives, and far more reasonable programs have been suggested, one of them, H.R. 11050, introduced by me on April 28. This bill would not establish a new and entirely unnecessary Federal agency. It would not establish unprecedented powers for a Federal agency, but would make available substantial sums over a 3-year period. I refer more specifically to my views expressed on page 9322 of the RECORD on April 28. There is also a synopsis of this bill on pages 92–96 of the committee report on the so-called Economic Opportunity Act of 1964.

IMPOSING RESTRICTIONS ON BEEF FROM AUSTRALIA AND NEW ZEALAND

Mr. TEAGUE of California. 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 California?

There was no objection.

Mr. TEAGUE of California. Mr. Speaker and my colleagues, since the Senate a few days ago passed the bill proposing to place restrictions upon the import of beef from Australia and New Zealand, many Members of this body have risen in support of the action taken by the Senate. I would like my colleagues to know that the bill passed by the Senate, H.R. 1839, is my bill, it has my number and my name on it. I fully support it and I have no objection whatsoever if any of you people refer to it as the Teague bill from here on out.

FOREIGN BEEF IMPORTERS COUNCIL, INC. IS REAL OPPOSITION TO "BEEF IMPORT" BILL

Mr. TALCOTT. 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. TALCOTT. Mr. Speaker, the cat came out of the bag in a big advertisement in the Washington Star of July 31, 1964. In six columns, almost a full page, the meat Importers Council, Inc., bemoans the fact that most of the Senators recently voted for the American cattlemen and against the foreign importer of cheaply produced meat products. The House would vote for the American cattleman too if they were given an opportunity. Why should they not vote to protect the largest single industry in America from bankruptcy caused, in part, by the importation of meat from foreign countries where labor is cheap, land is cheap, feeds are cheap, and taxes are lower or nonexistent.

Of course, foreign importers can make a profit by buying cheap foreign meats and undercutting one of our most important industries. Our cattlemen cannot pay the high wages, costs, and taxes and compete favorably.

Who should we protect? Who should the Senate protect? Who should Congress protect? The most important U.S. industry or profiteers who deal in cheaply produced foreign meats.

If the American consumer knew what meat producers they were financing and which foreign importers they were supporting, they too would reject the cheap imports and importing profiteers.

If the American consumer really knew the facts he would not permit himself to be the "scapegoat" or the "strawman" of the foreign Meat Importers Council, Inc.

Let the "beef import" bill be brought to a vote so that the Members of the House can decide whether they favor the U.S. cattleman or the foreign importer of cheaply produced meat.

The Senate finally came around to voting for the U.S. industry. Let us see who the House will be for or who the House will be against. Until the "beef import" bill is brought to a vote, the House is casting its lot with the Meat Importers Council, Inc., and against the U.S. cattlemen and U.S. beef processors and U.S. beef consumers.

SALE OF PIRANHA FISH

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

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

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, recently the sale of the vicious flesh-eating piranha fish has become somewhat of a novelty in New York City and other large cities of the North. Importers of these tiny menaces have found a ready market in the pet shops where the curious may purchase one for as little as 95 cents.

My State of Florida has passed a law forbidding the importation of these fish within the State boundaries. This law was passed, however, when the number of piranha fish within the United States was very small indeed.

Now that the piranha fish may be purchased freely in pet shops across the Nation, there is a need for more drastic measures to bar their importation on a nationwide basis.

Title 18, United States Code, section 42, gives to the Secretary of the Interior the power to prohibit the importation into the United States of any fish which he may deem "to be injurious to human beings, agriculture, horticulture, or wildlife. He also has the power to export or destroy "all such prohibited mammals, fish, and so forth."

My district alone contains hundreds of miles of navigable waterways used for boating, sport fishing, bathing, and other recreational uses. While authorities differ as to whether the piranha fish could firmly establish itself in south Florida waters, all would agree that there is a distinct possibility that it could.

Mr. Speaker, before this dangerous hobby generates any more purchases and before the number of piranha fish in the country becomes too large to control, I urge the Secretary of the Interior to exercise the power he possesses and take immediate steps to prohibit the importation of the dangerous piranha fish. So long as there is any possibility there is a great danger to the residents of south Florida.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PROVIDING FOR ACQUISITION OF CERTAIN PROPERTY IN SQUARE 758 IN THE DISTRICT OF COLUMBIA, AS AN ADDITION TO THE GROUNDS OF THE U.S. SUPREME COURT BUILDING

The Clerk called the bill (S. 254) to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

PROVIDING FOR ADDITIONAL COMMISSIONERS OF THE U.S. COURT OF CLAIMS

The Clerk called the bill (S. 102) to provide for additional commissioners of the U.S. Court of Claims.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

RELATING TO THE ESTABLISHMENT OF CONCESSION POLICIES IN THE AREAS ADMINISTERED BY NATIONAL PARK SERVICE

The Clerk called the bill (H.R. 5886) relating to the establishment of concession policies in the areas administered by National Park Service and for other purposes.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill be stricken from the Consent Calendar.

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

There was no objection.

APPLICATION OF EVACUATION AND ALLOTMENT PAY LAW TO GOVERNMENT PRINTING OFFICE

The Clerk called the bill (H.R. 8827) to extend the act of September 26, 1961, relating to allotment and assignment of pay, to cover the Government Printing Office, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

PART III, DISTRICT OF COLUMBIA CODE, "DECEDENTS' ESTATES AND FIDUCIARY RELATIONS"

The Clerk called the bill (H.R. 10200) to enact part III of the District of Columbia Code, entitled "Decedents' Estates and Fiduciary Relations," codifying the general and permanent laws relating to decedents' estates and fiduciary relations in the District of Columbia.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ASPINALL. Mr. Speaker, reserving the right to object—and I shall not object—I should like to know if it is not possible, and if it is not agreeable to the Committee on the Judiciary of the House, that the printing of the bill in the RECORD be dispensed with, inasmuch as it is quite voluminous and would result in great expense. That is true with respect to this bill and the next bill to be considered.

Mr. LIBONATI. Mr. Speaker, I intend to make such a request.

Mr. ASPINALL. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. LIBONATI. Mr. Speaker, because of the cost involved to print the bill in the RECORD, I ask unanimous consent that the printing of the bill in the RECORD be dispensed with.

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

There was no objection.

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.

ENACTMENT OF SUBTITLE II, TITLE 28, DISTRICT OF COLUMBIA CODE

The Clerk called the bill (H.R. 11466) to enact subtitle II, "Other Commercial Transactions," of title 28, "Commercial Instruments and Transactions," of the District of Columbia Code, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. LIBONATI. Mr. Speaker, I make a similar request with respect to this bill. I ask unanimous consent that the printing of the bill in the RECORD be dispensed with, because of the expense involved.

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

There was no objection.

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.

ESTABLISHING AN ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

The Clerk called the bill (S. 1664) to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United States, and for other purposes.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

FUNDS OF THE PAWNEE TRIBE OF OKLAHOMA

The Clerk called the bill (H.R. 10672) to provide for the disposition of judgment funds now on deposit to the credit of the Pawnee Tribe of Oklahoma.

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 funds on deposit in the Treasury of the United States to the credit of the Pawnee Tribe of Oklahoma that were appropriated by the Act of May 17, 1963 (Public Law 88–25; 77 Stat. 20), to pay a judgment by the Indian Claims Commission in docket 10, and the interest thereon, after payment of attorney fees and expenses, may be advanced or expended for any purpose that is authorized by the tribal governing body and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribe shall not be subject to the Federal or State income tax.

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.

LAND HELD FOR THE FLANDREAU SANTEE SIOUX TRIBE

The Clerk called the bill (H.R. 11052) to declare that 80 acres of land acquired for the Flandreau Boarding School is held by the United States in trust for the Flandreau Santee Sioux Tribe.

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 all of the right, title, and interest of the United States in 80 acres of land described as the east half northeast quarter section 16, township 107 north, range 48 west, fifth principal meridian, acquired by the United States for the Flandreau Boarding School and no longer used for such purposes, together with improvements thereon, are hereby declared to be held by the United States in trust for the Flandreau Santee Sioux Tribe.

With the following committee amendments:

Page 1, line 7, after "School", insert "at Flandreau, South Dakota,".

Page 1, line 10, strike out "Tribe." and insert "Tribe, subject to all valid existing rights-of-way.".

The committee amendments were 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.

CONVEY LAND ON THE WHITE EARTH RESERVATION

The Clerk called the bill (H.R. 11425) to provide for the conveyance of 10 acres of federally owned land on the White Earth Reservation to the Minnesota Annual Conference of the Methodist Church, and for other purposes.

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 all the right, title, and interest of the United States in a tract of federally owned land located on the White Earth Reservation, Minnesota, described as: northwest quarter southwest quarter southwest quarter section 26, township 146 north, range 39 west, fifth principal meridian, Minnesota, containing 10 acres, more or less, which tract of land was donated to the United States in 1913 by the Northern Minnesota Conference of the Methodist Episcopal Church in the United States of America, is hereby reconveyed to the Minnesota Annual Conference of the Methodist Church, the donor's successor organization, for as long as the tract of land is used for education, community service, or religious purposes. Title to the land shall revert automatically to the United States, and be held in trust for the Minnesota Chippewa Tribe, when the land ceases to be used for the prescribed purposes. By accepting the rights granted herein, the grantee agrees for itself and its successors or assigns that a determination by the Secretary of the Interior that the land has ceased to be used for the prescribed purposes shall be conclusive of these facts. The Secretary of the Interior shall publish in the Federal Register a notice of such determination.

With the following committee amendment:

Page 2, line 4, after "organization" change the comma to a period and strike out the remainder of the bill.

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.

SELL ENTERPRISE RANCHERIA NO. 2 TO CALIFORNIA

The Clerk called the bill (H.R. 11562) to authorize the Secretary of the Interior to sell Enterprise Rancheria No. 2 to the State of California, and to distribute the proceeds of the sale to Henry B. Martin, Stanley Martin, Ralph G. Martin, and Vera Martin Kiras.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior may sell and convey Enterprise Rancheria numbered 2, comprising 40.64 acres of land, more or less, described as lot 3, section 1, township 19 north, range 5 east, Mount Diablo base and meridian, to the State of California for a negotiated price which in the opinion of the Secretary reflects its fair market value, and the proceeds from the sale shall be distributed to Henry B. Martin, Stanley Martin, Ralph G. Martin, and Vera Martin Kiras.

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.

RELOCATION OF THE VILLAGE OF SIL MURK

The Clerk called the bill (H.R. 11329) to provide for the relocation and reestablishment of the village of Sil Murk and of the members of the Papago Indian Tribe inhabiting the village of Sil Murk, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to receive and hold in trust for the Papago Tribe an amount of $180,000 out of funds available for the Painted Rock Dam and Reservoir project to be used solely for the relocation and reestablishment of the village of Sil Murk, and its inhabitants, including the purchase of a replacement site, construction of community facilities, and other improvements: *Provided,* That title to the replacement site and such community facilities shall be held by the United States of America in trust for the Papago Indian Tribe: *Provided further,* That said funds held by the Secretary of the Interior in trust for the Papago Tribe shall be expended in accordance with plans approved by the Secretary of the Interior.

SEC. 2. As a condition of the payment authorized in section 1 for the relocation of the village of Sil Murk, the individuals who may assert an interest in the improvements in the village and the Papago Tribe shall, by appropriate resolution and deed, quitclaim and release to the United States whatever interest the tribe and the individuals may have in the site of the present village of Sil Murk.

SEC. 3. There is authorized to be appropriated not to exceed $180,000 to carry out the provisions of this Act.

With the following committee amendments:

Page 1, line 4, strike out "$180,000" and insert "$269,500".

Page 2, line 14, strike out "$180,000" and insert "$269,500".

The committee amendments were 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.

CIVIL ACTIONS AGAINST THE UNITED STATES FOR FEES

The Clerk called the bill (H.R. 11520) to amend subsection (d) of section 1346 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts.

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 subsection (d) of section 1346 of title 28 of the United States Code is amended to read as follows:

"(d) The district courts shall not have jurisdiction under this section of any civil action or claim for a pension."

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.

PROTECTING INDIANS FROM FLOODING OF THEIR LANDS

The Clerk called the bill (H.R. 8916) to protect American Indians from the flooding of their lands by any department or agency of the United States before suitable provision has been made for their relocation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CONTE. Mr. Speaker, reserving the right to object, I also want to commend the gentleman from Florida for filing this legislation. On page 5 of the committee report there is a letter from Frank P. Briggs, Assistant Secretary of the Interior, where he outlines six questions. The first question is:

The bill does not authorize the construction agency to acquire a suitable area for the Indians. If acquisition authority for this purpose is intended, it should be stated clearly.

I wonder if the gentleman can comment on the first question.

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

Mr. CONTE. I will be glad to yield.

Mr. HALEY. Of course, in this particular legislation, what this bill proposes to do is keep the Army Corps of Engineers from flooding out Seneca Indian lands until compensation is paid for them. There will be no reason to acquire additional lands. Lands that are required to relocate are now owned by this Indian tribe and are in a trust status. So I think the Department is skating on pretty thin ice to oppose this kind of legislation. I might say to the gentleman H.R. 8916 was introduced on October 24, 1963. Of course, the Department of the Interior has the responsibility, as the gentleman well knows, to look out for the affairs of the Indians. If they had some serious objections to any of the proposals contained in this legislation, they have had a good, long time to get it up here to let us act on it.

Mr. CONTE. Another question. If I understand it, this bill is a result of a bill that went through the House and is now over in the Senate which would flood this area sometime in October unless this bill goes through. Is that right?

Mr. HALEY. The gentleman is right. They will close the gates, it is presently contemplated, sometime in October. The Indians have not been paid for the lands which they have taken away from them, and certainly I am sure this Congress and the American people would be very critical if some provision were not made to take care of these Indians prior to the flooding of these lands.

Mr. CONTE. One other question; as I understand, the bill as it passed the House provided for compensation in the amount of $16 million plus. This has been cut considerably in the other body; is that correct?

Mr. HALEY. The gentleman is correct. The bill as it passed the House provided for $16,931,000. The bill as amended by the Senate carries an amount of $6 million 100-some thousand. I might say to the gentleman, too, that the original report on which the House had to act was a report prepared by a firm of consultants called the Brill Corp. This firm was employed by the Corps of Engineers, the Bureau of Indian Affairs, and the Seneca Nation, as I understood it. They recommended that in order to put these Indians back in the same economic position in which they were prior to the flooding of this land the Federal Government should reimburse the Seneca tribe to the extent of $29 million. The House cut that to $16,931,000. We think that is the lowest figure that can possibly do the job that should be done here.

Mr. CONTE. Mr. Speaker, I concur in what the gentleman from Florida is trying to do here and therefore 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, notwithstanding any other provision of law, it shall be unlawful for any officer or employee of the United States to cause lands within the boundaries of any Indian reservation, the beneficial or legal ownership of which lands is in an Indian or Indian tribe, to be flooded by impounding water in a reservoir constructed by any department or agency of the United States until the Secretary of the Interior certifies that a suitable area or areas in the vicinity have been set aside and, if necessary, acquired for those Indians whose lands are to be flooded and who have not accepted other compensation from the United States in full payment for their interest in such lands and that suitable homes, schools, roads, and other facilities have been constructed thereon and made available to such Indians.

SEC. 2. The provisions of this Act shall not be applicable to any reservoir constructed and put into operation prior to July 1, 1963.

With the following committee amendment:

Page 2, line 5, after "facilities", insert "are under construction or".

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.

CREDITING CERTAIN MILITARY SERVICE

The Clerk called the bill (H.R. 9718) to authorize the crediting of certain military service for purposes of reserve retired pay.

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 section 1332(a)(1) of title 10, United States Code, is amended by striking out the word "and" at the end of clause (J) and adding the following new clause:

"(K) an active full time status with the United States Public Health Service as a commissioned officer during the time such service was designated as military service in accordance with the provisions of section 217 of title 42, United States Code; and".

With the following committee amendment:

Strike all after the enacting clause and insert the following: "That section 1332(a) of title 10, United States Code, is amended by striking out the word 'and' at the end of clause (1)(J)(ii), by striking out the period at the end of clause (2) and inserting a semicolon in place thereof, and by adding the following new clauses:

"'(3) his years of active service in the Commissioned Corps of the Public Health Service during such time as the Commissioned Corps was a military service pursuant to declaration made by the President under section 216 of the Public Health Service Act (42 U.S.C. 217); and

"'(4) his years of active commissioned service in the Coast and Geodetic Survey during such time as he was transferred to the service and jurisdiction of a military department pursuant to section 16 of the Act of May 22, 1917 (33 U.S.C. 855).'

"SEC. 2. The amendments made by this Act shall apply to any period during which the Commissioned Corps of the Public Health Service has had or will have the status of a military service, and any period during which commissioned personnel of the Coast and Geodetic Survey were or may be transferred to the service and jurisdiction of a military department, whether before or after enactment of this Act."

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.

ANNUITIES OF WIDOWS OF SUPREME COURT JUSTICES

The Clerk called the bill (S. 1686) to amend section 375 of title 28 of the United States Code, relating to the annuities of widows of Supreme Court Justices.

Mr. FORD. Mr. Speaker, reserving the right to object, I note in reading the report from the House Committee on the Judiciary that there are eight members of that committee who have written and signed a minority report. I have read the minority report. I have also read the statement on that part of the majority. It seems to me that in view of the fact there are eight members of the Committee on the Judiciary who have signed the minority report this legislation should not be on and approved by the Consent Calendar. Therefore I withdraw my reservation of objection and ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

SARPY COUNTY, NEBR.

The Clerk called the bill (S. 2339) conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of Sarpy County, Nebr.

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, notwithstanding any statute of limitations pertaining to suits against the United States, or any lapse of time, or bars of laches, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon any claim of Sarpy County, Nebraska, arising out of the closing of the north-south county road connecting Bellevue and La Platte to make way for the principal east-west runway at Offutt Air Force Base, in said county.

SEC. 2. Suit upon any such claim may be instituted at any time within one year after the date of the enactment of this Act. Nothing in this Act shall be construed as an inference of liability on the part of the United States. Except as otherwise provided herein, proceedings for the determination of such claim, and review and payment of any judgment or judgments thereon shall be had in the same manner as in the case of claims over which such Court has jurisdiction under section 1491 of title 28 of the United States Code.

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

WAIVER COLLECTION OF CERTAIN ERRONEOUS PAYMENTS

The Clerk called the bill (H.R. 3800) to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

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, H.R. 3800 is a bill to waive collection of erroneous payments to civilian and military personnel and their dependents.

GENERAL PROVISIONS

It was originally proposed that Government agencies could waive debts up to $500, retroactive to 1950.

It is now believed that the agencies will be allowed to waive debts up to $150, retroactive to 1958. General Accounting Office could waive up to $50,000.

OBJECTIONS TO BILL

First. The Claims Division of the General Accounting Office already has authority to adjudicate and settle nearly all types of claims by or against the Government. Title 31, United States Code, section 71. It also superintends collection of amounts due the United States. Title 31, United States Code, section 93.

Second. Under existing authority, debts of questionable validity are dismissed or canceled. Where collection would cause hardship, installment payments are arranged or the claims abandoned altogether.

Third. The Department of Justice has full authority to compromise debts for reasons of hardships as well as merit.

Fourth. The courts have consistently held that persons receiving erroneous payments acquire no right to them and are bound in equity and good conscience to make restitution since restitution results in no loss to them, they having received something for nothing. *Wisconsin Central Railroad* v. *United States*, 164 U.S. 190; *United States* v. *Sutton Chemical Co.*, 11 F. 2d 24. Even financial hardship which might result from collection or the fact that the payments may have been received in good faith cannot stand against the injustice of keeping what never belonged to the recipient at all—*United States* v. *Bentley*, 107 F. 2d 382, 384.

In line with the above, Congress authorized the departments to collect debts due to erroneous payments from current compensation. See the act of July 15, 1954, 69 Stat. 482. This bill would be a reversal of this policy.

Fifth. The bill would benefit the least deserving—those not legally entitled.

Sixth. It would burden the taxpayers. The 1962 hearings on appropriations for independent agencies at page 328 shows claims division collected $83,634,903 from 1950 to 1960 and $7,233,236 in 1960 alone. These were debts which the various Government agencies had not or could not collect. The potential loss would extend not only to the General Accounting Office, but to every agency in the Government—henceforth and forevermore.

Seventh. The bill could lead to favoritism and discrimination since there would be no independent review in many cases. It would penalize honest people and upset long-standing principles of law and morality which have formed the basis of our system of commerce, industry and banking since the founding of our country.

Eighth. Claims division personnel have found the smaller debts are the cheapest and easiest to collect. Furthermore, justice requires equal consideration for all, regardless of amount.

Ninth. The General Accounting Office would not police the bill, since present policy is to delegate functions to other agencies and reduce personnel.

ST. FRANCIS LEVEE DISTRICT, ARKANSAS

The Clerk called the bill (H.R. 7138) for the relief of St. Francis Levee District, Arkansas.

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 Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise

appropriated, to the Saint Francis Levee District, Arkansas, the sum of $17,084.80. Payment of such sum shall be in complete settlement of all claims against the United States for those damages resulting from the construction of a diversion canal for the Saint Francis River, in accordance with the plan for flood protection and major drainage improvements in the Saint Francis River Basin, Missouri and Arkansas, authorized by the Flood Control Act of 1950, which the Circuit Court of Crittenden County, Arkansas, in the cases of B. W. Jaco, Hickerson-Hays Company, W. H. Daggett, J. J. Daggett, Silas Rupert, Finest Rupert and Tom Watts against Board of Directors, Saint Francis Levee District, docket numbered 5673; C. A. Jaco against Board of Directors, Saint Francis Levee District, docket numbered 5719; Elzie Lucas and Marvin Traylor against Board of Directors, Saint Francis Levee District, docket numbered 5776; and John Willie James against Board of Directors, Saint Francis Levee District, docket numbered 5799, determined to have been caused solely by the United States but which the Saint Francis Levee District, Arkansas, was required to pay.

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.

RELATING TO SETTLEMENT OF ADMIRALTY CLAIMS

The Clerk called the bill (H.R. 11412) to amend provisions of law relating to the settlement of admiralty claims.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if someone will explain to me what is meant by admiralty claims? I am not an attorney, and I know nothing about maritime law.

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

Mr. GROSS. Yes; I gladly yield to the gentleman.

Mr. ASHMORE. If I understand the gentleman correctly this pertains to situations where ships are damaged through collision or various other manner.

Mr. GROSS. Would this go to claims of individuals?

Mr. ASHMORE. It would relate to an injury occurring in the wreckage or the damage or the collision of ships or vessels.

Mr. GROSS. Well, but not to individual claims in the nature of which we get most of the bills such as overpayments?

Mr. ASHMORE. No; that would not be covered. That type claim would not be covered.

Mr. GROSS. And this has been increased from what, $7,000 to $10,000, the amount of the claims?

Mr. ASHMORE. From $1,000.

Mr. GROSS. From $1,000 to $10,000?

Mr. ASHMORE. Yes.

Mr. GROSS. Well, that is a rather substantial increase.

Would the gentleman state why it has been increased tenfold?

Mr. ASHMORE. It is not out of line with authority in several other instances. Some of them go up to $500,000 and probably more than that.

Mr. GROSS. This would not truly represent the inflation that has taken place in the dollar, would it? I assume that has some effect, but not quite that bad up to this point.

Mr. ASHMORE. I am not a good economist to answer that question.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

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 sections 4802(c), 4803(c), 7622(c), 7623(c), 9802(c), and 9803(c) of title 10, United States Code, are each amended by striking out the figure "$1,000" and inserting the figure "$10,000" in place thereof.

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.

VALIDATE PAYMENTS TO CERTAIN FOREST SERVICE EMPLOYEES

The Clerk called the bill (H.R. 11546) to validate certain payments made to employees of the Forest Service, U.S. Department of Agriculture.

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 overpayments made by the Forest Service, United States Department of Agriculture, during the forest fire seasons, 1961, 1962, and 1963 to employee-members of southwestern firefighter crews from New Mexico and Arizona, whose services were used in fighting forest fires in Idaho, Nevada, California, Colorado, and Wyoming, and payments for travel time in excess of eight hours a day for travel time prior to actual start of travel, are hereby validated.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve authorized certifying and disbursing officers of the Forest Service, United States Department of Agriculture, from accountability or responsibility for any payments described in section 1 of this Act, and shall allow credits in the settlement of the accounts of those officers for payments which are found to be free from fraud and collusion.

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.

INTEREST IN LAND IN PENDER COUNTY, N.C.

The Clerk called the bill (H.R. 4242) to provide for the release and transfer of all right, title, and interest of the United States of America in and to certain tracts of land in Pender County, N.C.

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 Secretary of Agriculture is authorized and directed to take such action as may be necessary to release and transfer, by quitclaim deed or otherwise, without consideration, to the Board of Education of Pender County, North Carolina, all right, title, and interest retained by the United States of America in and to five parcels or tracts of land and the improvements thereon located in Pender County, North Carolina, conveyed to the said board of education, and more particularly described in the following deeds from the United States of America and the Penderlea Farms Homestead Association, Incorporated, listed in section 2 of this Act.

SEC. 2. The deeds referred to in the first section of this Act are the following:

(1) The quitclaim deed, dated September 22, 1941, and recorded in book 249, page 397, of the Pender County Registry, Pender County, North Carolina, from the Penderlea Farms Homestead Association, Incorporated, to the County Board of Education of Pender County, North Carolina, conveying .430 acres, more or less, and the improvements thereon.

(2) The quitclaim deed, dated December 6, 1941, and recorded in book 229, page 605, of the Pender County Register, Pender County, North Carolina, from the United States of America to the County Board of Education of Pender County, North Carolina, conveying 23.663 acres, more or less, and the improvements thereon.

(3) The correction deed, dated October 24, 1946, and recorded in book 262, page 340, of the Pender County Registry, Pender County, North Carolina, from the United States of America to the County Board of Education of Pender County, North Carolina, conveying 23.663 and .78 acres, more or less, and the improvements thereon.

(4) The quitclaim deed, dated June 13, 1945, and recorded in book 255, page 573, of the Pender County Registry, Pender County, North Carolina, from the United States of America to the Board of Education of Pender County, North Carolina, conveying 9.282 acres, more or less, and the improvements thereon.

(5) The quitclaim deed, dated January 18, 1946, and recorded in book 257, page 436, of the Pender County Registry, Pender County, North Carolina, from the United States of America to the Pender County Board of Education, conveying 2.584 acres, more or less.

With the following committee amendments:

One page 1, line 5, delete the following: "without consideration,".

On page 1, line 3, after "directed" insert the following: ", subject to the requirements of section 3 of this Act,".

Add a new section reading as follows:

"SEC. 3. No conveyance shall be made under this Act unless the Board of Education of Pender County, North Carolina, pays to the Secretary of Agriculture within one year after notification thereof, the sum of (a) the fair market value of the mineral interests conveyed under this Act, as determined by the Secretary of Agriculture as of the effective date of this Act; and (b) such amount as may be fixed by the Secretary of Agriculture to reimburse the United States for the administrative costs of the conveyance under this Act."

The committee amendments were 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.

CLARIFICATION OF IMPORT-EXPORT OVERTIME LAW

The Clerk called the bill (H.R. 9180) to amend the act of August 28, 1950, enabling the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work.

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 Act of August 28, 1950 (ch. 815, 64 Stat. 561; 5 U.S.C. 576), an Act to enable the Secretary of Agriculture to furnish upon a reimbursable basis certain inspection services involving overtime work, is amended by adding at the end thereof the following: "The term 'inspection or quarantine services relating to imports into and exports from the United States' shall include inspection, seizure, quarantine, treatment, application of other remedial measures, disposal, supervision, or certification with respect to plants, plant pests, plant products, animals, animal products, persons, means of conveyance, baggage, stores, or other products or articles moving or moved into or from the continental United States, or into or from the State of Alaska, the State of Hawaii, Puerto Rico, the Virgin Islands, or any other territory or possession of the United States, under the plant or animal quarantine laws, plant pest legislation, or related laws intended to prevent the introduction into or dissemination from or within the United States of plant or animal pests or diseases, or other laws administered by the Department of Agriculture."

SEC. 2. This Act shall take effect on such date as the Secretary of Agriculture shall designate, but not later than six months after date of enactment.

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.

LAND EXCHANGE—LASSEN NATIONAL FOREST

The Clerk called the bill (H.R. 10069) to authorize the exchange of lands adjacent to the Lassen National Forest in California, and for other purposes.

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 provisions of the Act of March 20, 1922 (42 Stat. 465), as amended and supplemented by the Act of February 28, 1925 (43 Stat. 1090), and the Act of June 11, 1960 (74 Stat. 205), are hereby extended to the following described lands:

TOWNSHIP 31 NORTH, RANGE 11 EAST, MOUNT DIABLO MERIDIAN

Section 8, southwest quarter southwest quarter, west half southeast quarter southwest quarter;

Section 18, north half northeast quarter northeast quarter, northwest quarter northeast quarter, northeast quarter southwest quarter, lot 3.

Lands conveyed to the United States under this Act shall, upon acceptance of title, become parts of the Lassen National Forest and shall be subject to the laws, rules, and regulations applicable thereto.

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 INTERGOVERNMENTAL LAND TRANSFER, COCKE COUNTY, TENN.

The Clerk called the bill S. 2218, to authorize the Secretary of the Interior to accept the transfer of certain national forest lands in Cocke County, Tenn., for purposes of the Foothills Parkway, and for other purposes.

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 Secretary of Agriculture is authorized to transfer to the jurisdiction of the Secretary of the Interior, who is hereby authorized to accept such transfer, not to exceed three hundred and sixty acres of national forest land in Cocke County, Tennessee, now part of the Cherokee National Forest, located within and adjacent to the right-of-way for section 8A of the Foothills Parkway between Tennessee Highway Numbered 32 and the Pigeon River.

Upon publication in the Federal Register of an order of transfer by the Secretary of Agriculture, the lands so transferred shall be a part of the Great Smoky Mountains National Park and available for the scenic parkway as authorized by the Act of February 22, 1944 (58 Stat. 19; 16 U.S.C. 403h–11).

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

The SPEAKER. This completes call of the bills on the Consent Calendar.

ANNUAL REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 332)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Public Works and ordered to be printed, with illustrations:

To the Congress of the United States:

Pursuant to the provisions of section 10 of Public Law 358, 83d Congress, I transmit herewith for the information of the Congress the Annual Report of the St. Lawrence Seaway Development Corporation, covering its activities for the year ended December 31, 1963.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *August 3, 1964.*

INCREASING THE RATES OF BASIC PAY FOR MEMBERS OF THE UNIFORMED SERVICES

Mr. RIVERS of South Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3001) to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(a) of title 37, United States Code, is amended to read as follows:

"(a) The rates of monthly basic pay for members of the uniformed services within each pay grade are set forth in the following tables:

"Commissioned officers

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O–10 [1]	$1,302.00	$1,347.90	$1,347.90	$1,347.90	$1,347.90	$1,399.20	$1,399.20	$1,506.90	$1,506.90	$1,614.30	$1,614.30	$1,722.00	$1,722.00	$1,829.70	$1,829.70
O–9	1,153.80	1,183.80	1,209.60	1,209.60	1,209.60	1,240.20	1,240.20	1,291.50	1,291.50	1,399.20	1,399.20	1,506.90	1,506.90	1,614.30	1,614.30
O–8	1,045.20	1,076.40	1,101.90	1,101.90	1,101.90	1,183.80	1,183.80	1,240.20	1,240.20	1,291.50	1,347.90	1,399.20	1,455.60	1,455.60	1,455.60
O–7	868.20	927.60	927.60	927.60	968.70	968.70	1,025.10	1,025.10	1,076.40	1,183.80	1,266.00	1,266.00	1,266.00	1,266.00	1,266.00
O–6	643.20	707.40	753.30	753.30	753.30	753.30	753.30	753.30	779.10	902.10	948.00	968.70	1,025.10	1,112.10	1,112.10
O–5	514.50	604.80	645.90	645.90	645.90	645.90	666.30	702.00	748.20	804.60	850.80	876.30	907.20	907.20	907.20
O–4	434.10	528.00	563.70	563.70	573.90	599.70	640.50	676.50	707.40	738.00	758.40	758.40	758.40	758.40	758.40
O–3 [2]	353.70	450.90	481.80	533.10	558.60	579.00	609.90	640.50	656.10	656.10	656.10	656.10	656.10	656.10	656.10
O–2 [2]	281.40	384.30	461.40	476.70	486.90	486.90	486.90	486.90	486.90	486.90	486.90	486.90	486.90	486.90	486.90
O–1 [2]	241.20	307.50	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30

"[1] While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $2,019.30 regardless of cumulative years of service computed under section 205 of this title.

"[2] Does not apply to commissioned officers who have been credited with over 4 years' active service as an enlisted member.

"Commissioned officers who have been credited with over 4 years' active service as an enlisted member

"Pay grade	Years of service computed under section 205											
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O–3	$533.10	$558.60	$579.00	$609.90	$640.50	$666.30	$666.30	$666.30	$666.30	$666.30	$666.30	$666.30
O–2	476.70	486.90	502.20	528.00	548.40	563.70	563.70	563.70	563.70	563.70	563.70	563.70
O–1	384.30	410.10	425.40	440.70	456.00	476.70	476.70	476.70	476.70	476.70	476.70	476.70

"*Warrant officers*

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4	$361.20	$440.70	$440.70	$450.90	$471.60	$492.00	$512.40	$548.40	$573.90	$594.60	$609.90	$630.30	$651.00	$702.00	$702.00
W-3	328.50	405.00	405.00	410.10	415.20	445.80	471.60	486.90	502.20	517.50	533.10	553.50	573.90	594.60	594.60
W-2	287.40	353.70	353.70	363.90	384.30	405.00	420.30	435.60	450.90	466.50	481.80	497.10	517.50	517.50	517.50
W-1	238.20	312.60	312.60	338.40	353.70	369.00	384.30	399.90	415.20	430.50	445.80	461.40	461.40	461.40	461.40

"*Enlisted members*

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
E-9							$445.80	$456.00	$466.50	$476.70	$486.90	$497.10	$522.90	$573.90	$573.90
E-8						$374.10	384.30	394.50	405.00	415.20	425.40	435.60	461.40	512.40	512.40
E-7	$206.39	$282.00	$292.20	$302.40	$312.60	322.80	333.00	343.50	358.80	369.00	379.20	384.30	410.10	461.40	461.40
E-6	175.81	246.00	256.20	266.40	276.90	287.10	297.30	312.60	322.80	333.00	338.40	338.40	338.40	338.40	338.40
E-5	145.24	215.40	225.60	235.80	251.10	261.30	271.50	282.00	287.10	287.10	287.10	287.10	287.10	287.10	287.10
E-4	122.30	184.50	194.70	210.00	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50
E-3	99.37	148.50	159.00	169.20	169.20	169.20	169.20	169.20	169.20	169.20	169.20	169.20	169.20	169.20	169.20
E-2	85.80	123.00	123.00	123.00	123.00	123.00	123.00	123.00	123.00	123.00	123.00	123.00	123.00	123.00	123.00
E-1	83.20	112.80	112.80	112.80	112.80	112.80	112.80	112.80	112.80	112.80	112.80	112.80	112.80	112.80	112.80."
E-1 (under 4 months)	78.00														

SEC. 2. Notwithstanding any other provision of law, a member of an armed force who was entitled to pay and allowances under any of the following provisions of law on the day before the effective date of this Act shall continue to receive the pay and allowances to which he was entitled on that day:

(1) The Act of March 23, 1946, chapter 112 (60 Stat. 59).

(2) The Act of June 26, 1948, chapter 677 (62 Stat. 1052).

(3) The Act of September 18, 1950, chapter 952 (64 Stat. A224).

SEC. 3. The enactment of this Act does not reduce—

(1) the rate of dependency and indemnity compensation under section 411 of title 38, United States Code, that any person was receiving on the day before the effective date of this Act or which thereafter becomes payable for that day by reason of a subsequent determination; or

(2) the basic pay or the retired pay or retainer pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this Act.

SEC. 4. This Act becomes effective on the first day of the first calendar month beginning after the date of enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. BATES. Mr. Speaker, I demand a second.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

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

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

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, I rise in opposition to the motion. The House this session has passed many bills under suspension of the rules which ought to have come to the floor under an open rule, but few if any have been less appropriate for suspension than S. 3001. This bill has a major and widely recognized defect. It has also been managed in both houses so that those who wish to correct this defect have had little opportunity to do so.

This is the second military pay bill we have acted on in the last year. If it passes, we will have added almost a billion and a half dollars a year to the military payroll during the 88th Congress. This is roughly three times as great as the civil service pay increase, half again as large as the President's poverty program, and by any analysis a major legislative achievement.

But, while there is no provision in this bill which does not have my wholehearted support, I think it is unconscionable to pass over, for the second time in a year, the 843 million enlisted men with under 2 years of service who have received just one small pay increase since 1946. Certainly, it is unconscionable to pass them over lightly when the result will be to give certain junior officers a greater pay raise during this 12-month period than the total monthly pay check of all enlisted men below sergeant rank with under 2 years of service. And, whether the comparison seems unconscionable or not, I do not think these enlisted men, or their families, are going to overlook the recent raise given to a certain select group of 535 Federal employees.

Whatever else this bill is, it certainly cannot be criticized as an election year maneuver. At least I would have a hard time with a legislative record which showed that Congress voted to raise its own salary by $7,500, while declining once again to raise above 1952 levels the pay of 35 percent of our Nation's Armed Forces.

The managers of this bill in both Houses recognize how vulnerable it is, as evidenced by the way it has been handled. This $207-million measure went through the Senate committee without any hearings at all, and passed on the Senate floor without notice to one Senator who had previously declared his intention to seek an amendment. That Senator, my good friend Senator NELSON, was out of town at the time.

The record here in the House is considerably more complete. A full morning of hearings was held, and Assistant Secretary Norman Paul testified quite provocatively to some sharp questions about the omission of first-term enlisted men from the bill. Through the courtesy of the subcommittee, both Senator NELSON and myself were able to submit statements for the subcommittee record supporting a substantial pay increase for these first-term enlisted men. I understand that the bill was reported out of committee by a vote of 21 to 9, the 9 Members favoring some pay hike for the enlisted men.

But now, when it is clear that there is some support in the House for an amendment to achieve this, the bill has been put on the Suspension Calendar where it cannot be amended. In protesting this procedure, I am making an argument which is very often heard in the House, particularly as the session draws to a close. I am among those Members who feel that this protest is more often than not fully justified, and it seems to me that it is unusualy pertinent to this bill.

Both the House and Senate committees are well aware that 35 percent of our men under arms cannot be omitted from two successive pay bills without an explanation. An explanation is given in the House report, but I for one did not find it at all persuasive. The committee justifies the omission of enlisted men with under 2 years' service on three grounds: First, that men with under 2 years of service are in training status; second, that an enlistee entering at $78 a month can expect to be making almost $100 within his first year, with a 50–50 chance of making $122 by the end of his first hitch; and third, that enlisted men with less than 2 years' service do not need a raise because their necessaries are provided in kind by the Government.

The argument that training costs should be treated as a substantial part of an enlistees compensation is a curious one. I seriously doubt that many enlistees—certainly many draftees—look

at it this way. A man may take training benefits into account in selecting a job, but even if he intends to be a career soldier, I question whether any level of training costs would convince him that he ought to take a 50-percent or 100-percent salary cut in order to get it.

The fact is that $99 a month is an attractive apprentice's or trainee's wage for only a small part of the manpower we have to have in our Nation's Military Establishment. The rest, the other enlisted men, are obtained by a draft of labor. It is the existence of the draft which allows these pay scales. Without the draft, we would have to pay considerably more for the necessary manpower, whether or not they are designated as trainees.

I also wonder why this argument is advanced for denying a pay raise to enlisted men only, when all members of the services are ostensibly in a constant state of training. If training status were a reason for enforcing a salary freeze on enlisted men, we ought to at least dock our high-ranking officers for the time they spend at the War College and other training institutions.

The second argument we have heard in support of an unchanged pay scale for first-term enlisted men is just as curious. The House report spells out with some detail the likely course of promotion confronting the first-term enlistee. It is true that his monthly salary will rise above $78 a month quickly enough. In 99 percent of the cases an enlisted man will be making almost $100 before his first year of service is out. And, as the committee report points out, roughly half of those entering at $78 a month will end their first hitch at $122.30.

Let me say that this argument rests on assumptions which are in sharp conflict with the overall goals of any meaningful cost-effectiveness program. The only reason that advancement of this sort is possible is that the rate of turnover among enlisted men is so high—and the rate of reenlistment so low—that enlisted men rise through the lower ranks quite swiftly. If rapidity of promotion is going to be the way that enlistees are given pay increases, then we should abandon efforts to increase the reenlistment rate—that is to increase the number of those who are willing to make a career of military service and go through the ranks more slowly. I had previously thought that there was general agreement on the broad outlines of a cost-effectiveness program for our Defense Establishment. I had also thought that this meant that every effort should be made to devise a pay and promotion schedule which would keep men in the service long enough to make some return on the initial cost of training them.

By relying on the recent history of service promotions to justify its omission of enlisted men in this pay bill, the committee seems to be trying to make the best of a bad thing. The argument would not be so inadequate if there were a statutory schedule of promotion for these men which the committee could point to, but in fact there is none. Enlisted men with under 2 years of service have no guarantee that they will be promoted to the higher ranks at a specified time. So, even if I thought that $99 a month was adequate compensation for a draftee after 11 months of service, it would be hard to accept the committee's assurance that 99 percent of the enlisted men would get it, when at the same time we are pursuing the very enlightened policy of attempting to keep men in ranks, thereby slowing the rate of advancement on the part of younger draftees and enlistees.

Apart from the absence of an automatic promotion statute, I question whether $99 a month after 11 months of service is sufficient. It is less than the Canadian Army gives its men with a comparable cost of living. In Canada, if I am not mistaken, the beginning enlistee receives $112 a month.

The third and final argument made by the committee for leaving the enlisted men's salaries untouched, is that enlisted men do not need a raise. The entering enlisted man today is paid $78. That is $3 more per month than he received in 1946. Clearly, by any meaningful cost-of-living index, today's enlisted man is not receiving 100 percent of parity by 1946 standards. And I am excluding those services that are rendered free of charge by the Government to the enlistees, such as medical care, housing, and food.

In fact, no attempt has been made to maintain anything like parity with 1946. Instead, the Department has now adopted a working rule that the base computation for enlisted men's salaries should be the salary as of October 1, 1963. They have constructed an index to reflect changes in prices as they would affect enlisted men. If the index moves more than two points, the Department then recommends a cost-of-living increase.

When the departmental report was submitted on this bill, the index had not risen 2 points. But the index for salaries of all other military personnel had risen sufficiently to call for a recommended pay increase of 2.4 percent. The reason for this difference is very instructive. These men, of whom a substantial proportion are draftees with no intention of continuing in military service, these men and their future salaries are pegged to an index based on the Consumer Price Index. The salaries of other military personnel, by contrast, are governed by indexes based on wage movements in the civilian economy.

The result of this distinction is very significant. Servicemen who have their pay scale tied to the wage index will, over time, almost invariably receive much more substantial pay increases. The Consumer Price Index always lags behind the wage indexes in this country. Only a precipitous economy catastrophe could alter this.

This discrimination between the index used for salaries of first-term enlisted men and all others reveals some interesting, and I think unsupportable, assumptions about our men under arms. Those with more than 2 years' service participate in productivity gains of others in the economy which they are serving to protect. Those with less than 2 years of service are being maintained at strictly subsistence levels. Their pay raises are tied entirely to rises in the prices that they pay, not to gains in their own productivity or the productivity of the civilian economy. It is not too much to say that this Malthusian anomaly in our military pay policy makes talk of "comparability" seem like false advertising bordering on fraud.

If the Department of Defense had treated all military personnel similarly in setting up these wage indexes, it would have included in its request to both House and Senate committees an item providing a 2.4-percent increase in salary for enlisted personnel. While I do not think that that is an adequate amount, I point it out because the Members should know that the Department's policy is not to freeze unalterably the salaries of enlisted men with under 2 years' service. If another, and more equitable and appropriate, index were used, we might very well have here today a bill calling for a 2.5-percent increase in the salaries of these enlisted men. This would cost $28 million, according to estimates of the House committee staff. Presumably, the committee would have added this amount to the bill since it accepts the Department's other recommendation and actually exceeds them by adding 2.5 percent to the salaries of those with over 2 years of service.

Mr. Speaker, we are considering this bill against a background of demonstrated poverty in the armed services. Several months ago a report was published by the Air Force called "Economic Status of Certain Air Force Personnel." The findings of this report have not been convincingly rebutted, although they were discussed by the subcommittee during its 2-hour hearing. The findings are appalling; 169,000 airmen are receiving a cash income less than the poverty level set by the Council of Economic Advisers. Of these, 8,000 are living at a level of impoverishment, even if adjustment is made for the rations and quarters they receive while in service—60,000 Air Force enlisted men are eligible for relief, and 5,000 are actually on relief. It was brought in the hearings on this bill that a similar situation prevails at certain Navy installations; that in New York, in fact, certain enlisted members were qualifying under the relief statutes of New York State.

In a memorandum from General Berg to Assistant Secretary Paul criticizing the Air Force report, General Berg says that whatever poverty exists from these Air Force families is primarily a result of their own decision. Existing law, he says, does not contemplate that enlisted men in the first five pay grades will be married during their first 4 years of service. What General Berg is saying in effect is that a man who signs up for a second hitch with the intention of becoming a career military man, and yet does not advance rapidly through grades, is not expected to settle down and have a family in what may be his 23d year. Far from explaining away the impoverishment of enlisted men in the Air Force, General Berg sets out a most convincing

explanation of why the armed services have difficulty in maintaining adequate enlistment and reenlistment levels.

In spite of this demonstrated poverty, there is a strong disposition to limit pay increases at this time to officers and high-ranking enlisted personnel. I understand this concern for maintaining pay incentives, and I largely agree with it. But, I do not think it justifies, excuses, or supports a conscious policy of undercompensating enlisted men with less than 2 years of service. These are the men who now are training for roles as future career men. If we make the first 2 years of service more attractive economically, we will draw more of these men voluntarily, and have a broader base of career soldiers from which to start any phasing out of the Selective Service System.

And, since the committee is very quick to point out that training costs are high, in the order of $30,000 a man, it seems to me only sensible that we now realize that a modest increase in salaries, leading to a corresponding increase in voluntary enlistment, is a very sound added investment.

The added cost of any increase in salary must be discounted by the consequent saving entailed in training careerists rather than draftees. In short, a pay hike for the first-term enlisted man would provide considerable leverage against heavy training costs which must be incurred for draftees and enlistees alike.

There is an additional and compelling reason to rectify the longstanding inadequacy of salaries received by first-term enlisted men. We are now paying somewhere between $78 and $100 a month for services rendered by two groups of men—those for whom this is a sufficient incentive to enter the Armed Forces, and those for whom it is clearly not, since they have been drafted. If the draft is phased out, we will almost certainly have to pay $100 and up to secure voluntary enlistments in the numbers needed to maintain our peacetime Army. If that is going to be our policy, then what we are doing today in omitting a pay raise for these men is saying in effect: "Although you are in military service by virtue of a compulsory and arbitrary selection system, you will receive substantially less for these 2 years out of your life than the man who voluntarily takes your place 2 or 3 years hence with the intention of making the services his career."

We are asking these men to give to their country, a part, perhaps all, of their lives. In addition, we are asking them to subsidize our national security with a very measurable amount of lost earnings. Heretofore we have not tried to find out how much their civilian earning power might have been were they not inducted. Obviously for many it has been much higher than their military pay. But now, looking forward to a period in which we will pay more highly for these services, we can say that the man serving at $78 a month today, doing the same jobs that his successor will do 3 years from now for a $100 a month, is subsidizing our national security to the extent of at least $22 a month.

For those Members who suspect that the draft may be terminated around 1968, I say only this: Look forward to the day when the draft is phased out and basic salaries are raised. And then ask yourself if you will be able at that time to give a convincing answer to the man drafted in 1965 who wants you to explain why he was paid only $3 a month more than his father received on entering service in 1946.

To those who not only suspect that the draft may be phased out, but also support such a move, I say: Anyone who feels that he can vote for this bill in its present form, and still remain committed to the proposition that the draft can be eliminated in 1968, should reckon with some of the bill's consequences. As it is now written, a vote for this bill is a vote to get the last full measure of cheap labor out of the Selective Service System, and in so doing to make it all the more difficult to phase out.

Mr. Speaker, this bill will undoubtedly pass today. I have no illusions about that. But, without attempting to take on the role of a gloomy prophet, I would venture to say that today's vote will be a more enduring monument to the House's discipline than to its wisdom or sense of justice. I hope the committee will prove me wrong, as it easily could if it would agree to take up seriously the case of the first-term enlisted man as soon as the next Congress convenes.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

GENERAL LEAVE TO EXTEND REMARKS

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, S. 3001 is a very modest military pay increase proposal which has been unanimously approved by the Committee on Armed Services.

Stated simply, the bill increases the pay of all officers and warrant officers with over 2 years of service by 2.5 percent, and all enlisted personnel with over 2 years of service by 2.5 percent.

Commissioned and warrant officers with under 2 years of service receive an 8.5-percent increase. This group has not been increased since 1952. The Senate report recommended a greater increase for this group on the grounds that young commissioned officers with under 2 years of service, following a short orientation course "are assigned to jobs carrying the full responsibility for the grade concerned and they are, therefore, not in a training status."

The Senate report also states that a young second lieutenant or first lieutenant is usually 4 to 7 years older than the enlisted man who is drafted. The Senate report further states that 55 percent of the second lieutenants and 69 percent of first lieutenants are married and, thus, have dependents; whereas, only 16.5 percent of the enlisted personnel are married.

No increase is provided for enlisted personnel with under 2 years of service because, for the most part, they are in a training status. But, in addition, the young man who enters service as an E–1 recruit is normally assured of three pay raises during his first 11 months of service, with even a chance of receiving a fourth increase. That is, after 4 months, the E–1 recruit is increased from $78 to $83.20 a month, and 3 months thereafter is promoted to E–2 at $85.80 a month. Four months later, the majority of these men are promoted to E–3 at a monthly pay of $99.37. This is a 27.4-percent increase over his entering pay.

Second lieutenants, on the other hand, under present law receive $222.30 a month and they normally wait 18 months before they are promoted to first lieutenant.

In 1963, the Committee on Armed Services rejected any increases for members of the armed services with under 2 years of service on the ground that all individuals entering the service had an obligation to serve, and the individual who elected to go to college had the advantage of entering on active duty, in many cases, as a commissioned officer and, thus, receive more pay than he would receive as an enlisted man. However, it cannot be denied that the cost of living has increased considerably since 1952, the last time we provided increases in pay for those with under 2 years of service, and therefore the larger pay increase for junior officers with under 2 years of service can be justified on that basis since officers must provide their own food and lodging, if married, and the uniform allowance only covers a part of the cost of the uniform.

On the other hand, the young enlisted man is provided with food, clothing, shelter and, as I have indicated, normally enters on active duty without dependents. No married men are being drafted, and two services, the Air Force and the Marine Corps, will not permit married men to enlist.

S. 3001 is not what the Department of Defense recommended. The Defense Department recommended a 3-percent increase for officers and warrant officers, including officers and warrant officers with under 2 years of service. The Department recommended a 2.4-percent increase for enlisted personnel with over 2 years of service but no increase for enlisted personnel with under 2 years of service.

The testimony revealed that the Department based its proposal on the relationship of basic pay rates to salary trends of professional and technical employees insofar as officers are concerned, and its 2.4-percent increase for enlisted personnel on the relationship of basic pay rates to salary trends of technical and clerical personnel, and Army-Air Force Wage Board pay scales. The Sen-

ate modified the Defense Department proposal, and gave the same percentage increase to officers, warrant officers, and enlisted personnel; namely, a 2.5-percent increase, with the exception of junior officers and warrant officers with under 2 years of service who will receive an 8.5-percent increase.

The cost of the Senate proposal for all the uniformed services, including the Coast Guard, Public Health Service, and the Coast and Geodetic Survey, is $207,519,000, on a 12-month basis, and $172,321,000, if the bill becomes effective September 1, 1964.

The departmental proposal recommended an October 1, 1964, effective date at a cost of $142,616,000 for the Department of Defense. When the cost of the Coast Guard, Public Health Service, and the Coast and Geodetic Survey is added, this adds to the cost of the Department's proposal by about $4 million. Thus, the difference between S. 3001 and the amount budgeted for fiscal year 1965 is $26 million more than that recommended by the Department of Defense. Of this amount, however, about $10 million of the increase is due to the fact that the Senate refused to accept the Department's proposal that reservists in a drill pay status not receive any pay increase.

Now, let me give you the monthly increases recommended in this bill by grade.

The 2.5-percent increase provides the following average monthly increases in pay for commissioned officers and warrant officers:

O–2	1st lieutenant	$11.00
O–3	captain	15.00
O–4	major	18.00
O–5	lieutenant colonel	22.00
O–6	colonel	26.00
O–7	brigadier general	31.00
O–8	major general	36.00
O–9	lieutenant general	39.00
O–10	general	45.00
O–10	chief of Staff	49.00
W–1	warrant officer	10.20
W–2	warrant officer	11.80
W–3	warrant officer	13.50
W–4	warrant officer	16.00

For the officers with less than 2 years of service who will receive an 8.5-percent increase, the average increase will be:

O–1	2d lieutenant	$19.00
O–2	1st lieutenant	22.00
O–3	captain	28.00
O–4	major	34.00
W–1	warrant officer	18.78
W–2	warrant officer	22.58
W–3	warrant officer	25.86
W–4	warrant officer	28.30

For enlisted personnel, the 2.5 percent increase will provide the following average increases:

E–1		$2.80
E–2	private	3.00
E–3	private first class	3.50
E–4	corporal	5.00
E–5	sergeant	6.50
E–6	staff sergeant	7.80
E–7	sergeant first class	7.80
E–8	master sergeant	10.40
E–9	sergeant major	12.10

The Department also recommended that all reservists in a drill pay status not receive an increase. They suggested something similar last year, and we refused to accept it. They recommended that all reservists receiving drill pay not receive an increase this year, and the Senate eliminated it from their bill. Thus we do not have that problem to contend with.

I believe I can speak for most of the committee when I say that this is not a pay increase that will do much for the military except to honor the pledge that President Kennedy made when he said he would use his best efforts "to assure that in the future, military compensation will keep pace with increases in salaries and wages in the civilian economy."

However, we did not want to jeopardize the expeditious enactment of this proposal by suggesting changes that would increase the pay scales by an amount that might endanger its immediate consideration. For example, a half of 1 percent increase in this proposal involves an annual cost increase of about $40 million.

Mr. Speaker, the committee unanimously recommends enactment of S. 3001, not because it will provide adequate pay for members of the uniformed services, but because it is the only increase that can be acted upon quickly at this time.

I believe we are all in agreement that substantial increases must be recommended and enacted into law next year. I can also state that several members of the committee would like to see increases provided for enlisted personnel with under 2 years of service.

I have already explained why this was not done, but I should also mention that a 2½-percent increase for enlisted personnel with under 2 years of service would add $28,284,000 to the annual cost of this bill; and an 8½-percent increase would add $93,114,000 annually to the cost of the bill.

We are always faced with budget limitations in every pay increase, and this bill is no exception.

I hope the bill will be passed without a dissenting vote.

Mr. BATES. Mr. Speaker, I rise in support of S. 3001 and urge its approval by the House.

Enactment of this legislation is vital to the maintenance of the morale of our military personnel throughout the world. Admittedly, this pay increase will not substantially affect the financial status of our military personnel. However, it will keep faith with the pledge made by President Kennedy when he said he would use his best efforts "to assure that in the future, military compensation will keep pace with increases in salaries and wages in the civilian economy."

In keeping with this statement of President Kennedy, the Department of Defense recommended a 3-percent increase for officers and warrant officers, and a 2.4-percent increase for enlisted personnel with over 2 years of service.

For practical purposes, the legislation before us today incorporates these general changes recommended in the basic pay structure for military personnel.

The departmental recommendation for changes in officer pay was based on the estimated increases made in civilian pay for professional and technical employees.

In the case of the recommended increase for enlisted personnel, the 2.4-percent increase reflected the changes in basic pay rates for technical and clerical personnel in the civilian economy since enactment of the 1963 Military Pay Act.

Thus, the compromise adjustment made by the other body in military pay of 2.5 percent for those groups approximates the recommendation made by the Department of Defense and simply is designed to keep military pay in step with the pay structure in the civilian community.

Both the House and Senate have just recently approved a substantial increase in the pay for Federal civilian employees.

I have no intention of attempting to review the justification for an increase in civilian pay. However, if civilian employees are entitled to pay increases I think it abundantly clear that military personnel must be similarly treated.

In 1958 the pay increase for civilian employees was 10.1 percent.

In 1960 it was 7.7 percent.

In 1962 the increase for civilian employees was 5.5 percent, with the additional feature that another increase was authorized to take effect on January 1, 1964.

Now, civilian employees are being given another increase approximating 4.2 percent.

These substantial increases in the pay of civilian employees, if justified, certainly require comparable increases in military compensation.

It would be unthinkable to permit the enactment of the currently proposed civilian pay increase and not at the same time provide some semblance of equality in a pay increase to our dedicated military personnel.

This then is the basic justification for enactment of this proposed military pay increase.

Pay increases provided our military personnel over the past few years are outlined chronologically in table 4 of the committee report. A review of this table, which appears on pages 22 to 25, reflects the unfortunate fact that the pay increases provided our military personnel have historically always lagged behind the increases provided our civilian employees.

This legislation, as I previously indicated, establishes a new precedent by providing an adjustment in military pay during the same year in which a significant adjustment has been made in the pay provided Federal civilian employees.

During the course of committee debate on the provisions of this bill, certain members of the committee expressed concern over the fact that this bill provided no increase for enlisted personnel with less than 2 years of military service.

You have been told why the committee overwhelmingly rejected the proposal to increase military pay for this group of enlisted personnel. I endorse the position of the committee on this matter. However, in my judgment the most persuasive reason for deferring a possible increase in the basic pay of enlisted personnel with less than 2 years of service is a study currently being made by the

Department of Defense as to the need for possible modifications or even repeal of the Selective Service Act.

It appears that the study currently being made by the Department will result in recommendations to the President which will call for drastic changes in the Draft Act. The nature of these changes will, therefore, undoubtedly have a severe impact on the type of military compensation that will be payable to these junior enlisted personnel in the future.

Thus, any effort, at this time, to radically overhaul the enlisted pay structure would be both unwise and premature since it would be taken without reference to changes that will, in my opinion, inevitably be made to the Draft Act.

I therefore wish to commend our chairman, the Honorable CARL VINSON, in his sage admonition to the members of the committee when he stated that any radical changes recommended in the military pay structure for these personnel should only be given consideration after the committee is in receipt of the conclusions and recommendations made by the Department of Defense and the President in respect to the future of the Draft Act.

I therefore urge the approval of this legislation without change by every Member of the House.

Mr. VINSON. Mr. Speaker, the bill before us today provides a modest pay increase for members of the uniformed services.

The bill provides a 2.5-percent increase for all enlisted personnel with over 2 years of service; a 2.5-percent increase for all officers and warrant officers with over 2 years of service; and an 8.5-percent increase for commissioned officers and warrant officers with under 2 years of service.

There is no increase recommended for enlisted personnel with under 2 years of service; and I might state that the Department of Defense did not recommend an increase for enlisted personnel with under 2 years of service.

On a full fiscal year basis, the bill will cost $207,519,000.

There is a section in the bill which provides that this increase will become effective on the first day of the first calendar month beginning after the date of enactment.

This means that the pay increase will probably become effective on September 1, 1964.

The Department proposed an effective date of October 1, 1964.

The cost of the bill, assuming a September 1 effective date, for the rest of this fiscal year will be $172,321,000.

The individual increases provided in this bill are not large but, of course, any increase will be welcome.

For example, the Chiefs of Staff of the Army and the Air Force, the Chief of Naval Operations, the Commandant of the Marine Corps, and the Chairman of the Joint Chiefs of Staff will receive an increase of $49 per month.

A brigadier general will receive an increase of $31 a month.

The average colonel will receive $26 a month.

A captain will receive an increase of $15 a month.

A first lieutenant will receive $11 a month increase.

On the other hand, the 8.5-percent increase for the younger officers with under 2 years of service will provide an increase of $19 per month for second lieutenants; $22 a month for first lieutenants; and $28 a month for captains.

Most of the first lieutenants and captains are professional personnel, such as lawyers, veterinarians, and specialists who enter on active duty with higher grades but no longevity credit.

In terms of annual increases, the Chiefs of Staff will be increased by $591 per year; brigadier generals by $372 a year; colonels by $301 a year; majors by $220 a year, and second lieutenants by $226 per year.

Among enlisted personnel, sergeant majors will receive an increase of $12 a month; sergeants first class will receive $9; sergeants will receive $6.50 a month; and corporals will receive $5 a month.

Last year the Committee on Armed Services did not recommend a pay increase for any personnel with under 2 years of service on the grounds that all people with under 2 years of service were serving an obligated period of service.

The Department of Defense recommended a 3-percent increase for all officers, including those with under 2 years of service.

The Senate reduced the 3-percent increase to 2½ percent for all officers except those with under 2 years of service. The Senate bill provides an 8½-percent increase for these officers.

It is true, of course, that officers who originally enter on active duty are trained, and normally, after a short period of orientation, are placed in positions of responsibility.

On the other hand, inductees or enlistees must be trained for a long period of time and they do not contribute directly to our security effort until they have been trained. As a matter of fact, the new officer who enters on active duty in many cases instructs the young enlistee or inductee.

In addition, we have found that 55 percent of the second lieutenants and 69 percent of the first lieutenants are married, and only 16½ percent of the enlisted personnel are married, with under 2 years of service.

The Air Force and Marine Corps will not even permit a man to enlist if he is married and, of course, we do not induct anyone today who is married.

Most of the young men with under 2 years of service, who are married, enter into this status after they are on active duty.

It is true that we have not increased the pay of enlisted personnel with under 2 years of service since 1952.

But the E–1 with less than 2 years of service is generally a youth fresh out of high school, or in some cases, has not yet finished high school. Normally, he has little investment in his education, is untrained in any specialty, and usually is unmarried.

The major portion of his first 2 years of service is taken up in training assignments in preparation for the filling of the myriad of technical billets prevalent throughout the modern Armed Forces of today.

But more important, the pay of the E–1 does not remain at $78 per month throughout the first 2 years of his service. He is advanced automatically from $78 to $83.20 upon completion of 4 months of service and, prior to the completion of 2 years of service, the great majority of these personnel are promoted to E–2, E–3, and even E–4 according to the merits of the individual.

In fact, approximately 50 percent of all draftees attain pay grade E–4 prior to the completion of 2 years of service.

The 97.4 percent of all enlisted personnel in pay grade E–1 are promoted to E–2 after 7 months of service; 82.7 percent in pay grade E–2 are promoted to E–3 after 11 months of service; and 99 percent of all inductees attain E–3 before completing 11 months of service.

Additionally, these members are paid basic allowance for quarters appropriate to their pay grade and number of dependents under the provisions of the Dependents Assistance Act of 1950, as amended.

A member in pay grade E–4 with one dependent is paid $83.10 per month, and with three dependents or more is paid $105 per month.

A member of pay grade E–1 with one dependent is paid $55.20 and with three or more dependents is paid $105.

Except for those personnel with dependents, increases in the cost of living have little effect upon this category of personnel since they are quartered and messed in Government facilities.

While I realize that enlisted personnel with less than 2 years of service are extremely poorly paid in relation to any apprentice job at any level in industry of this Nation, I also realize that these personnel have benefited to a much greater degree by previous military pay legislation than have the junior officers with less than 2 years of service.

The basic pay of the second lieutenant was $125 per month in 1922, and has increased 78 percent, to $222.30 in 1952, with no further increase since that time.

The basic pay of an E–1 was $21 per month in 1922, and has increased 396 percent, to $83.20 in 1952, with no further increase since that time.

In 1922 the private was paid 17 percent of the pay of a second lieutenant. Today he is paid 37 percent of the pay of a second lieutenant.

It is my firm conviction that any further increases granted to this category of personnel must be accompanied by substantial increases in pay for junior officers to widen the spread between the pay of these two categories of personnel and make the pay of junior officers more nearly comparable to that of their counterparts in industry. This would of course result in upward adjustments all along the line.

There is presently under study in the Department of Defense a very comprehensive study of the draft law, which is due to be completed next April. Should this study lead to a cessation of the Draft Act it is clear that pay would necessarily

have to be increased for all military personnel in order to attract and retain high quality dedicated men to make the military service a career.

I anticipate that the Department of Defense draft study will address itself to appropriate pay scales for this group.

I think this modest increase is fully justified and I think we are justified in not providing an increase for enlisted personnel with under 2 years of service.

Even a 2½-percent increase for enlisted personnel with under 2 years of service would add $28 million to the cost of this bill, and an 8½-percent increase, the same amount we gave officers with under 2 years of service, would add $93 million annually to the cost of the bill.

I mention this to indicate that we are talking about a very substantial amount of money when we talk about increasing the pay of enlisted personnel with under 2 years of service by any amount.

Now, Mr. Speaker, this bill is justified in every way.

Classified employees of the Federal Government have received four pay increases in recent years—1958, 1960, 1962, and 1963—and they are about to receive a fifth increase.

There has been only one military pay increase since 1958, and in fairness to the members of our uniformed services, I hope we will unanimously pass the bill that is now before us.

Mr. SCHWEIKER. Mr. Speaker, I support the military pay raise bill (S. 3001) now before this House, but I rise to object to the fact that we are once again shortchanging our enlisted personnel who have less than 2 years of military service.

This bill provides very modest pay increases to all servicemen except those with less than 2 years of service in grades E–1 through E–9. This group has not had a pay increase since 1952, and the bill before us today aggravates an already unfair situation. This omission is a tragic mistake.

Department of Defense figures indicate that 1,049,248 members of the U.S. Armed Forces fall within President Johnson's "poverty" category with annual incomes of less than $3,000, including their allowances for food, clothing, and shelter.

In the last 12 years, the wages of civilian production workers in manufacturing have risen 48 percent while the pay of draftees and enlisted men with less than 2 years of service has not been increased. It is ironic that we should be talking of eliminating the draft and relying upon enlistments while refusing to raise the pay of the recent enlistee to a decent level.

Last week when this bill came before our committee for consideration, I offered an amendment to extend the same 2.5-percent pay increase to this group of servicemen. Unfortunately, the committee rejected this amendment and thus we are today in the position of compounding an existing inequity for 844,000 servicemen because the parliamentary procedure prohibits me from offering this amendment on the floor.

While I deeply regret the omission of our enlisted personnel with under 2 years' service from this bill, I support the bill now before us in fairness to the other military personnel who receive this increase.

I shall fight again next year for pay increases for our enlisted personnel with under 2 years' service who once more this year have been overlooked.

Mr. SIKES. Mr. Speaker, the proposal for a pay raise for the members of the military services is a proper one. It is in fact overdue. A pay raise for military personnel should have been considered at the same time that a pay raise was before Congress for civilian Government workers. The military man's need is just as great and his cause just as deserving.

I am not at all certain that I am happy with the terms of this bill although I shall support it. I do not feel that the differences in amount of pay increase for civilians and military can be justified. Generally, the military personnel will be receiving an increase one-half or less than the increase given to civilian employees. The responsibility for the military is no less; the problems which confront them, including frequent change of station, exposure to danger, and lack of continuity of service is greater.

For years the differences between civilian and military pay have been explained on the basis of fringe benefits available to the military and not to civilians in Government service. Some of this is significant. The soldier, or airman, or sailor, or marine enjoys medical care benefits which in some instances make a material difference. Rental and uniform allowances must be considered. Some savings are realized through commissary and service exchanges. The serviceman does not contribute to his retirement as does the civilian. Nor does the civilian have an opportunity to retire after 20 or 30 years of service unless disabled. There is an income tax advantage because of the breakdown of remuneration into pay and allowances.

Reference frequently is made to the reasonable term life insurance policy which is available to servicemen. Actually, the civilian worker has available to him an even more generous policy under comparable terms.

However, it is questionable that these advantages offset the fact that military personnel will receive an average 2.5-percent increase whereas Government employees receive approximately twice as much, and a few in high brackets receive 8 to 10 times as much. We lose a great many military personnel who take advantage of the 20-year retirement in order to go into civilian or Government employment. Others leave earlier because of advantages offered in civilian life. In their places, new personnel must be trained, always a costly process. We would do well to consider the steps which are necessary to keep topflight men in the military services, whether by increased pay or otherwise. It is poor economy not to do so.

All of this is aside from the fact that the military pay raise is justified and that the Congress is taking a needed and proper step today. Where discrepancies remain, we should consider them when another Congress convenes.

Mr. O'KONSKI. Mr. Speaker, I am very displeased that I am compelled to inform the House that this so-called military pay raise bill is a misnomer and a tragedy to the needy servicemen of our Nation.

Again, as usual, the enlisted man with less than 2 years of service is completely forgotten and he has to continue living off of his parents, his in-laws or go into debt in order to support his family while serving his country.

We hear a lot of talk about poverty, yet one-fourth of the members of the Armed Forces are living in abject poverty the like of which is not even known in the Nation's worst slums. Just think of it, more than one-fourth of the servicemen of our Nation are living on an income of less than $1,000 a year, and if this is not a blot on the Government of the United States, which chooses to play Santa Claus to the rest of the world, I would like to know what is.

Unfortunately, there are too few of us who feel this way and we just don't have the votes to get something done for those in our military service who need it the most. But the Congress had better wake up because the morale among our enlisted personnel in the service is already low and there will be no morale left if the Congress continues to take care of the officers and generals and neglects the enlisted personnel.

As I view this measly bill, it looks to me like Congress has a bad conscience voting itself a $7,500 pay raise and trying to placate our military personnel with a 2-percent raise and even denying that 2-percent raise to hundreds of thousands of our military personnel.

Mr. FULTON of Pennsylvania. Mr. Speaker, I strongly favor the bill, S. 3001 increasing the rate of basic pay for members of the armed service. There is no doubt that an increase in military pay is clearly justified at this time. Cost of living is at its highest point—$10.80 now buys about the same about of groceries that $5.60 would just 12 short years ago—and the basic pay rates of our men and women in the U.S. military service are lagging far behind the civilian economy rates.

We Americans are proud of our men and women in the service of our country who are daily defending America and protecting the interests of the American people on overy ocean, sea, and continent of the whole world. These are demanding days in troubled times around this untidy globe of ours, and it is a real pleasure for me as a former Navy serviceman to express my appreciation on behalf of the American people and the Congress for this fine, dedicated military service.

Therefore, when Congress votes a military pay raise, it should increase the salaries of all ranks and grades without discrimination. At the same time Congress grants an increase in the basic rates of military pay, it should likewise increase the attendant allowances and benefits.

We in the House of Representatives have approved several times the bill to raise Federal and postal salaries by 5 percent in this session. We should give

the same fair treatment to our military personnel, both officers and enlisted men.

First, I strongly favor increasing the present 2.5-percent raise to a 5-percent increase in the basic U.S. miltary pay rates. I oppose definitely the provisions of the bill which leave out entirely those men with under 2 years' service.

The current wage of new enlistees and draftees is an absurdly low $78 per month—a salary that has not been raised since 1952. No wonder that the patriotic young man who wants to perform his duty to his country by enlisting in the military services is discouraged.

When President Johnson sets a $3,000 annual income as the minimum necessary to provide a decent family living in the United States, how can this same administration expect to pay U.S. military men the outrageously low wage of $78 per month when they first enter the service. Defense Department figures show that over a million men in our armed services have incomes of less than $3,000 annually, including their allowances for food, clothing, and shelter. The place to begin to correct poverty is in the military pay scale paid by the U.S. Government itself.

Compared with the pay rates in depressed areas in our U.S. civilian sectors, and compared to unemployment compensation benefits as well as relief payments and surplus food distributions, the U.S. enlisted serviceman is below the poverty level as defined by the administration, and is clear down at the bare subsistence and marginal existence levels.

We must remember, too, that this pay is for 24 hours' service a day, under strict military conditions, tight discipline, away from home and friends, and in any country or climate in the world. These conditions, combined with the low U.S. pay for enlisted men, defeat the spirit of our new U.S. servicemen. What do these young men think when they see the U.S. war against poverty going on at a pay level three times higher than their own pay level and the present administration of the U.S. Government passing a bill in this Congress without one penny of pay raise for the enlisted man with less than 2 years' service.

This group has been neglected since 1952 as this very administration's last pay raise skipped over these same people. Whereas the effectiveness of our Defense Establishment depends on the retention of well-trained and devoted personnel in the armed services, the basic pay during those first 2 years is so meager as to discourage the enlistment of many capable and valuable young men. The incentives to enlist, beyond the threat of the draft, are certainly far fewer than for employment in the private sector of the economy.

I would like to bring to the attention of the Congress the following article on outright poverty conditions in our U.S. Air Force from the Pittsburgh Press, June 11, 1964:

MANY "MOONLIGHT": POVERTY IN AF PUTS 5,000 GI'S ON RELIEF

WASHINGTON, June 11.—An Air Force survey showed today that about 5,000 enlisted airmen have to resort to relief payments to bring their incomes up to the minimum acceptable to the adminstration's antipoverty forces.

The survey said the men were receiving relief benefits because their service incomes were below the $3,000 poverty level for a family of four set by President Johnson's Council of Economic Advisers.

It also indicated that an additional 70,000 airmen and 1,000 Air Force officers, mainly heads of families, are "moonlighting," or holding part time jobs to supplement their service income.

(Basic pay for airman up to two years is $83.25 a month, plus an allowance of $55.20 for one dependent.)

Figures were not available from the Army and Navy, but their situation was thought to be about the same. An estimated one-third of the 2,964,000 men in the Armed Forces have incomes below the $3,000 minimum for a family of four.

Officials linked the problem to the fact that in the last 12 years no pay raise has been granted for men in uniform with less than two years' service.

The Air Force Times, a service journal, said in disclosing details of the survey that if only base pay were considered there would be 169,000 airmen below the poverty level.

I also call your attention to the pay scale for military personnel with less than 2 years' service, noting that though these salaries have not risen since 1952, they represent the wages of approximately 844,000 men in our service of today who pay today's prices for their groceries.

Enlisted members

Pay grade	Years of service computed under sec. 205							
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12
E-9							$435	$445
E-8						$365	375	385
E-7	$206.39	$275	$285	$295	$305	315	325	335
E-6	175.81	240	250	260	270	280	290	305
E-5	145.24	210	220	230	245	255	265	275
E-4	122.30	180	190	205	215	215	215	215
E-3	99.37	145	155	165	165	165	165	165
E-2	85.80	120	120	120	120	120	120	120
E-1	83.20	110	110	110	110	110	110	110
E-1 (under 4 months)	78.00							

I hope and ask that the Armed Services Committee of the House will review the whole U.S. miliary schedule of basic pay and allowances at the beginning of the next Congress. This injustice to our enlisted men and their dependents who are constantly passed over in the fight against poverty and their rights for a justifiable and respectable standard of living can not continue. These U.S. military servicemen are good enough to protect our country and are one of the basic foundations of American defense and protection of our interests abroad.

Should not this contribution be recognized for its just worth? My answer to our military servicemen is a strong yes. We must fight for justice and fair treatment and reasonable pay rates that permit our service people and their dependents to rise above the subsistence level; to rise above the poverty level; to insure the dignity and purchasing power which our U.S. economic system provides for the people in civilian life.

This injustice to our military personnel, both officers and enlisted men, must end, and the time is now.

AUTHORIZING ESTABLISHMENT OF THE SAINT-GAUDENS NATIONAL HISTORIC SITE, N.H.

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4018) to authorize establishment of the Saint-Gaudens National Historic Site, N.H., and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve in public ownership historically significant properties associated with the life and cultural achievements of Augustus Saint-Gaudens, the Secretary of the Interior may acquire, by donation from the Saint-Gaudens Memorial, a corporation, the sites and structures comprising the Saint-Gaudens Memorial situated at Cornish, New Hampshire, and by donation or purchase with donated funds not to exceed three acres of adjacent lands which the Secretary of the Interior deems necessary for the purposes of this Act, together with any works of art, furnishings, reproductions, and other properties within the structures and on the memorial grounds.

SEC. 2. (a) In accordance with the Act entitled "An Act to create a National Park Trust Fund Board, and for other purposes", approved July 10, 1935 (49 Stat. 477), as amended, the National Park Trust Fund Board may accept from the Saint-Gaudens Memorial the amount of $100,000 and such additional amounts as the corporation may tender from time to time from the endowment funds under its control, which funds, when accepted, shall be utilized only for the purposes of the historic site established pursuant to this Act.

(b) Nothing in this Act shall limit the authority of the Secretary of the Interior under other provisions of law to accept donations of property in the name of the United States.

SEC. 3. When the sites, structures, and other properties authorized for acquisition under the first section of this Act and endowment funds in the amount of $100,000 have been transferred to the United States, the Secretary of the Interior shall establish the Saint-Gaudens National Historic Site by publication of notice thereof in the Federal Register.

SEC. 4. (a) The Secretary of the Interior shall administer, protect, develop, and maintain the Saint-Gaudens National Historic Site subject to the provisions of this Act and in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and the provisions of the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (49 Stat. 666).

(b) In order that the Saint-Gaudens National Historic Site may achieve more effectively its purpose as a living memorial, the Secretary of the Interior is authorized to cooperate with the Saint-Gaudens Memorial, the American Academy of Arts and Letters, and other organizations and groups in the presentation of art expositions and festivals and other appropriate events that are traditional to the site.

SEC. 5. The Saint-Gaudens Memorial having by its active interest preserved for posterity this important site, its structures, objects, and cultural values, the executive committee thereof shall, upon establishment of the Saint-Gaudens National Historic Site, serve in an advisory capacity to the Secretary of the Interior in matters relating to its preservation, development, and use.

SEC. 6. There are hereby authorized to be appropriated such sums, but not more than $210,000 for development, as may be necessary to carry out the purposes of this Act.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we have on the suspension calendar this afternoon seven national park, historic site, and recreation area bills. These bills, if the Committee on Interior and Insular Affairs operated in a different fashion from the way it does, would have been combined in a single omnibus bill. We preferred, however, to bring them to the House as individual measures so that each could be treated on its own merits.

These bills, as Members will notice, are indifferent as to the part of the country they come from, the price tag they carry with them, and the political affiliations of of the authors. Two of them come from the authors. Two of them come from the Eastern States, two from the Midwest, and three from the Far West. Two of them will honor important figures in the Nation's history, one deals with an area of great scientific importance, three will authorize the preservation of sites illustrative of the history of our country, and one will recognize as a national recreation area a great block of land which is already used for this purpose by millions of visitors each year and nearly all of which is already in Federal ownership.

The Committee on Interior and Insular Affairs reported these bills to the House at various times over a span of 10 months, so they do not come to you as a package. Nevertheless, I can and do recommend each of them individually to you. Taken together, the estimated cost of all the land acquisition and development involved in all these bills is only a little more than $6 million—a good deal less than the cost of many an individual bill that we pass here. Authorizing the expenditure of this money will be a good investment for all of us.

I shall want the authors of these various bills to have the opportunity of explaining their details, so I shall confine my remarks on each of them to a minimum.

The first of the seven is H.R. 4018, a bill to authorize establishment of the Saint-Gaudens National Historic Site, by the gentleman from New Hampshire [Mr. CLEVELAND]. The primary purpose of this bill is to authorize the Secretary of the Interior to accept a donation of about 86 acres of land and the buildings and other facilities thereon and to administer this site as a unit of the national park system.

In the national park system we have a number of areas associated with great names in our history—Washington, Lincoln, John Adams and John Quincy Adams, Andrew Johnson, and the two Roosevelts, among our Presidents, and Booker T. Washington, George Washington Carver, Thomas A. Edison, Marcus Whitman, Commodore Vanderbilt, the Wright Brothers, and General Grant among those outstanding in other respects. Thus far, however, we have neglected those who have contributed to the development of the arts in America. Enactment of H.R. 4018 will help to overcome this imbalance.

Augustus Saint-Gaudens is one of the great names in this field. He was born in Dublin, Ireland, in 1848, migrated to the United States, studied at Cooper Union and the National Academy of Design in New York, established his home in New Hampshire in 1885, and lived and worked there most of the time until his death in 1907.

We can see examples of his work as a sculptor here in Washington as well as in New York and Chicago. His Adams Memorial and his statues of Lincoln, Sherman, and Farragut are, of course, constant reminders of his greatness, but the preservation of his home and studio as a national historic site will bring all who visit it into much more intimate contact with him and his ways of working than would otherwise be the case.

Although the property and an endowment fund of about $100,000 will come to the Government as a gift, there will necessarily be certain costs associated with the administration of this site. The bill that has been reported by the Committee on Interior and Insular Affairs limits the amount that may be appropriated for development of the site to $210,000. Annual administrative expenses are estimated to be about $40,000.

Mr. Speaker, I recommend enactment of H.R. 4018.

Mr. SAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, the gentleman from Colorado has just stated this is the first of a half dozen or more bills, seven to be specific, providing that the Federal Government take over park sites and historic sites of one kind and another at a cost of several million dollars. It is not just the cost set forth in the bills that are presented to you here today. There is a cost in perpetuity to the Federal Government for the maintenance and policing of these sites. So it is not just a question of $6 million, $7 million, or $8 million today, but it is the cost in perpetuity.

Now as to the bill we have before us. I can see no reason why the State of New Hampshire should not take this over as a historic site, if that is what the people of that State want. Why should the Federal Government come in and take over? Sure, the Federal Government is getting some land, but the taxpayers are also going to get the pleasure and privilege of developing this site and in perptuity of maintaining it.

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

Mr. GROSS. I yield to the gentleman.

Mr. CLEVELAND. The title to the land and building and the 86 acres is now in a board of trustees. This is a private, charitable corporation. The trustees have asked the Federal Government to take over, not the State of New Hampshire. In return they are giving to the Federal Government the land and buildings, which are valued at between $200,000 or $300,000, and also about $100,000 accumulated from earnings and from gifts.

Mr. GROSS. Under those circumstances, let me ask the gentleman why does not the State of New Hampshire operate this site?

Mr. CLEVELAND. I thank the gentleman for asking that question. I am glad my distinguished colleague asked the question because I was just getting to that. About 11 percent of the land area of the State of New Hampshire is owned by the Federal Government mostly in the White Mountain National Forest, which was acquired by the Federal Government many long years ago. This area is removed from the tax base of the State of New Hampshire. Many millions of people from all over the Nation enjoy this area. More than 3,500,000 people visited it last year. New Hampshire is already doing quite enough.

Mr. GROSS. But tell me about this particular one that you are proposing to wrap around the necks of all the taxpayers.

Mr. CLEVELAND. This one is different from the White Mountain National Forest. It is going to be a historic site. It is going to be one that is going to pay national tribute to a great sculptor, one of the most important figures in American cultural history and the greatest sculptor of his day.

Might I add for the information of the gentleman from Iowa, one of Saint-Gaudens' great works was that of a Puritan. Out of respect to the Puritan ethic to which we still pay homage on this side of the aisle at least, I would hope you would not object to this tribute we are paying to a sculptor whose classic works are noted for their integrity, sincerity, and great beauty.

Mr. GROSS. Do you mean that the gentleman from Iowa ought to subsidize all the Puritans—past, present, and future; is that what you are talking about?

Mr. CLEVELAND. No; I will settle for this one.

Mr. GROSS. And this one in the distant past.

As a cold matter of fact, I suppose my education has been neglected, but I never heard of Saint-Gaudens, or whatever his name, until this bill came along. Perhaps he is a hero to the people of New Hampshire; I do not know.

Mr. Speaker, I cannot support the sort of business that is about to be perpetrated here today. However, I labor under no illusions. Too many people around here are too free with the taxpayers' money to put a stop to much of this legislation.

Mr. ASPINALL. Mr. Speaker, will my friend from Iowa yield?

Mr. GROSS. I yield to the gentleman from Colorado.

Mr. ASPINALL. The annual costs, as I stated in my direct presentation, will be approximately $40,000 a year. The right to charge for admission is inherent in the Secretary in such matters as this. In most of these areas, where it is economical to charge—when the income will at least pay for administrative costs and so forth—charges are made.

Mr. GROSS. My good friend from Colorado is not going to stand here today and tell me that admission charges for this so-called historic site will come near to paying the bill the taxpayers will assume by virtue of taking this over.

Admission fees are not going to pay for that white elephant $20 million stadium in the District of Columbia although we were assured that would be the case. And when they get the $10 million fishbowl built down on the Potomac, the gentleman will not say that will ever be paid off with admission fees. It does not operate that way when the Federal Government charges admission fees, and the gentleman knows it.

Can the gentleman show me where admission fees have paid off anything of any size, when the Federal Government was involved in the operation of it?

The SPEAKER. The question is on the motion of the gentleman from Colorado that the House suspend the rules and pass the bill, H.R. 4018.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 55, noes 6.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO COOPERATE WITH THE STATE OF WISCONSIN IN THE DESIGNATION AND ADMINISTRATION OF THE ICE AGE NATIONAL SCIENTIFIC RESERVE IN THE STATE OF WISCONSIN

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1096) to authorize the Secretary of the Interior to cooperate with the State of Wisconsin in the designation and administration of the Ice Age National Scientific Reserve in the State of Wisconsin, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to assure protection, preservation, and interpretation of the nationally significant values of Wisconsin continental glaciation, including moraines, eskers, kames, kettleholes, drumlins, swamps, lakes, and other reminders of the ice age.

SEC. 2. (a) To implement the purpose of this Act, the Secretary of the Interior (hereinafter called the "Secretary"), in cooperation with State and local governmental authorities of Wisconsin, may formulate within two years after this Act takes effect a comprehensive plan for the protection, preservation, and interpretation of outstanding examples of continental glaciation in Wisconsin; but he shall not spend more than $50,000 of Federal funds thereon.

(b) When the comprehensive plan is completed and the Secretary is satisfied that State legislation exists for the preservation of the nationally significant features of the reserve, open to the people of the entire Nation, he shall transmit copies thereof to the President of the Senate and the Speaker of the House of Representatives and may, ninety days thereafter and after consulting with the Governor of the State of Wisconsin, publish notice in the Federal Register of the establishment of the Ice Age National Scientific Reserve and of the boundaries thereof, which boundaries shall comprise lands owned or to be acquired by the State and local governments of Wisconsin in the following areas:

(1) Eastern area (portions of the northern unit of the Kettle Moraine State Forest and Campbellsport drumlin area);

(2) Central area (portions of Devil's Lake State Park);

(3) Northwestern area (portions of Chippewa County);

(4) Related areas (other areas in the State of Wisconsin which the Secretary and the Governor of Wisconsin agree upon as significant examples of continental glaciation).

(c) Any area outside of the national forests that the Secretary and the Governor of Wisconsin agree has significant examples of continental glaciation but is not described in the original notice may be included in the reserve by the Secretary after notice to the President of the Senate and the Speaker of the House of Representatives and publication in the Federal Register, as hereinbefore provided, and any area that they consider to be no longer desirable as a part of the reserve may be excluded from it by the Secretary in the same manner.

SEC. 3. The Secretary may grant financial assistance to the State of Wisconsin for its acquisition of lands and interests in lands lying within the area designated as the reserve. Any grant made under this section shall be only for lands or interests in land acquired by the State after establishment of the reserve, as provided in section 2, subsection (b), of this Act, and the total of all grants under this section shall not exceed $750,000 or 50 per centum of the fair market value of the lands or interests in land so acquired, including incidental acquisition costs, whichever is less, and shall be subject to terms and conditions prescribed by the Secretary.

SEC. 4. The comprehensive plan presented by the Secretary to the President of the Senate and the Speaker of the House of Representatives may include such recommendations, if any, as he and the Governor of the State of Wisconsin may wish to make with respect to Federal and State participation in the financing of appropriate interpretive and other public facilities and services within the reserve, including facilities and services to be furnished by such private organizations as the Ice Age Park and Trail Foundation, a nonprofit corporation, but no commitment with respect thereto shall be made by the Secretary and no Federal appropriations shall be available for this purpose.

SEC. 5. (a) Whenever the Secretary determines that appropriate management and protection set down in the comprehensive plan are not being afforded the nationally significant values within the reserve or that funds are not being provided on the prescribed matching basis by the State of Wisconsin or other non-Federal sources, he may terminate contributions under this Act.

(b) Any payment made by the Secretary under the provisions of subsection (2) of section 3 of this Act shall be made subject to the understanding and agreement by the State of Wisconsin that the conversion, use, or disposal, for purposes contrary to the purposes of this Act, as determined by the Secretary, of any land acquired by said State with funds supplied in part by the United States pursuant to said subsection, shall result in a right of the United States to compensation therefor from said State in the amount of one-half of the fair market value of the land, exclusive of any improvements thereon, as determined at the time of such conversion, use, or disposal.

SEC. 6. There are hereby authorized to be appropriated not to exceed $800,000 to carry out the provisions of this Act.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, one of the beauties of our Federal system of government is the variety of methods it gives us for doing the things that we know ought to be done. This observation is pointed up by H.R. 1096, a bill to authorize the Secretary of the Interior to cooperate with the State of Wisconsin in the designation and administration of the Ice Age National Scientific Reserve and for other purposes.

Many of our great parks and national monuments were established by the Federal Government going it alone. One or two involved cooperation between the United States and her great neighbor to the north, the Commonwealth of Canada. Others—for instance, the Cape Hatteras National Seashore—were established by the United States with the cooperation of the States in which they are located. Still other parks were established by the States alone or by cooperation between two States. Here we have an illustration of still another way of doing the job—an undertaking by a State with assistance from the United States.

If anyone asks, therefore, whether there is precedent for the action being proposed in H.R. 1096, it would not bother me even if the answer turned out to be no, for the important question is not whether there is precedent but whether what is proposed is good and workable. In this case, I have no doubt that it is.

I shall not dwell on the mysteries of the moraines, eskers, kames, kettleholes and drumlins of which H.R. 1096 speaks. Our colleagues from Wisconsin [Mr. REUSS and Mr. JOHNSON], are much more knowledgeable about these matters than I am and will, I assume, be glad to answer your questions if you have any.

I want, rather, to dwell on this as joint State-Federal venture in the preservation of a nationally and even internationally important area for scientific study and research. The proposal is that the State of Wisconsin, which has already acquired two-thirds of the 32,500

acres which are to be included in the Ice Age National Scientific Reserve, set them aside for this purpose and that the cost of acquiring the remainder, estimated at about $1,500,000, be shared by the State and the United States on a 50–50 basis. The top limit on Federal appropriations for this purpose will be $750,000 plus an additional $50,000 for necessary detailed studies preliminary to actual Federal participation. This, I think, makes a very attractive proposition and one that should commend itself to the House.

H.R. 1096 in no way commits the United States to any share of the upkeep of the Ice Age National Scientific Reserve. Perhaps there will eventually be some arrangement for this but, for the present, there is no commitment and it will take a further act of Congress if there is to be one. Section 4 of the bill expressly contemplates a study by the Secretary of the Interior and the Governor of Wisconsin of this matter and for a report back to Congress on it.

I talked a few minutes ago about precedent. Now let me go back to this and point out to you the similarity between what is being proposed by way of Federal contributions for this area and what we in the House provided for 2 weeks ago on a general scale when we passed the Land and Water Conservation Fund bill. I understand that our colleague from Wisconsin [Mr. REUSS], is prepared to deal with Wisconsin's attitude toward treating the contribution under H.R. 1096 as, in effect, a contribution under H.R. 3846, so I will not go into this further than to say that I think it should be so treated.

Mr. Speaker, I recommend enactment of H.R. 1096.

Mr. SAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. VAN PELT].

Mr. VAN PELT. Mr. Speaker, this legislation was considered by the House earlier this year on the Consent Calendar and it was objected to. The citizens of Wisconsin, principally in the area which I have the privilege to represent, are very much opposed to the Federal Government coming into this area with the possibility of charging a fee to use an area which is now free. The State of Wisconsin, through its conservation commission, acquired 20,500 acres. They have done an outstanding job in preserving the scientific features of this park and turning part of it into a recreational area, but the sad circumstance is that the conservation commission, with its many demands, does not have enough money today to take care of many of the priority projects let alone adding another $800,000 in this one. Just today I received, since the citizens were alerted that this was up for consideration again, many, many telegrams opposing this legislation.

Mr. Speaker, I was born in this area and have lived in it all my life. I have a great admiration and respect for it. I respectfully ask that the House vote down the bill H.R. 1096.

Mr. SAYLOR. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, just a moment ago, with the greatest of ease, the House approved a motion to suspend the rules and take over Saint-Gaudens Historic Site in New Hampshire. It is now being operated by a private trust, which is charging admission fees, and so on, and so forth, but the House voted to take it over and saddle it on the taxpayers of the entire country. Why? I do not know. Why take a site of this kind away from private enterprise and load it onto the Federal Government?

Now, under this bill we have a State operating a park, as I understand it—and I want somebody to correct me if I am wrong—certain individuals want the Federal Government to come in and take it over and the Lord only knows what it is going to cost.

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

Mr. GROSS. I yield to the gentleman.

Mr. REUSS. Mr. Speaker, I appreciate the gentleman's yielding. The facts are that in this case the State of Wisconsin and the Wisconsin Conservation Commission want the Federal Government to participate. The State will continue operating. There will be no fees charged. It will continue to be a State installation.

Mr. GROSS. I am sure there are those who would like to have the Federal Treasury to take this over for the State of Wisconsin. But I imagine the State of Wisconsin has a lower per capita debt than does the Federal Government.

Mr. VAN PELT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. VAN PELT. Mr. Speaker, I thank the gentleman for yielding. The record states, by Mr. Wirth, representing the Department of the Interior, that this is a new venture of the Federal Government participating in a State park.

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

Mr. GROSS. Of course, I always yield to my friend from Michigan.

Mr. JOHANSEN. Mr. Speaker, I asked the gentleman from Iowa to yield in order that I may inquire of the gentleman from Wisconsin, has or has not the Wisconsin State Conservation Commission approved, or does it or does it not support this bill?

Mr. VAN PELT. The conservation commission, it is my understanding, does not support the bill as a commission. I have had correspondence from members of the commission saying that the State of Wisconsin is acquiring the land that is necessary to complete this park just as fast as funds are available.

Mr. GROSS. And this is in the district that the gentleman from Wisconsin [Mr. VAN PELT] represents; is that not true?

Mr. VAN PELT. The bulk of the new land acquisition is within the Sixth Congressional District of Wisconsin.

Mr. GROSS. The gentleman from Wisconsin is opposed to the bill?

Mr. VAN PELT. I certainly am.

Mr. JOHANSEN. Mr. Speaker, if the gentleman will yield further, I want to observe that it would be a singular occurrence indeed in this House if, on the statement of the gentleman representing the district involved, and in the face of his statement, this House votes to disregard the clearly expressed sentiment that he has voiced.

Mr. ASPINALL. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I take this time as chairman of the subcommittee that held the hearings on this legislation to try and clear up some misunderstandings.

It was my understanding that the State of Wisconsin and the conservation commission supported the bill. The only difference between the version that they supported and the version which we bring to you on the floor is that they are in favor of the Federal Government doing it all. We felt that it should be a Federal-State partnership and that the State of Wisconsin should participate in this project also.

Now, this is my understanding of what the difference of opinion may be, but with reference to the matter of the conservation commission for the State of Wisconsin, I yield to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. I thank the gentleman from New Mexico, the chairman of the subcommittee, for yielding.

The gentleman has stated the exact facts. The Conservation Commission of Wisconsin appeared before the House Interior Committee on at least two separate hearings and enthusiastically endorsed the proposal.

It is true, as the gentleman from New Mexico said, that the conservation commission wanted the Federal taxpayers to foot the entire bill. However, the conservation department and the State of Wisconsin are entirely agreeable now to the 50–50 sharing, which is based on the Land and Water Conservation Act formula.

Mr. VAN PELT. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Wisconsin.

Mr. VAN PELT. The conservation commission as stated, and the former Governor did appear, but not on this bill, as you have stated.

Mr. MORRIS. Was my recollection correct of the position of the State conservation commission in the State of Wisconsin that they wanted the Federal Government to buy it all? Is that not correct?

Mr. VAN PELT. No; it is not my understanding, very definitely, because I have had correspondence with a number of the commissioners and I have been in contact with the taxpayers in the area most vitally affected, and if that were true—if they were in favor of it—I would not be receiving these telegrams today.

It was my suggestion some time ago that the committee, if it were going to bring up the legislation again, should have held hearings in the area from where the taxes come and where the tax loss would result when the land acquisition is taking place.

Mr. MORRIS. I might say to my dear friend, the gentleman from Wisconsin [Mr. VAN PELT], that the members of the subcommittee visited the area and, of course, we have every desire to have all citizens of this country heard on every piece of legislation that affects them which comes under our jurisdiction. However, I know that the gentleman from Wisconsin understands that sometimes it is extremely difficult for a subcommittee to go to an area and hold field hearings. It therefore holds hearings in Washington. We certainly would have heard any of the gentleman's constituents who wanted to be heard.

Mr. VAN PELT. Mr. Speaker, if the gentleman will yield further, I appreciate that, but why when these last hearings were held in 1963, as the Representative of the congressional district most vitally affected, why were we not notified or invited to testify if you were not going out and hold hearings in the area?

Mr. MORRIS. The fact of the date of the hearings and the purpose thereof was published and announced—that we were holding hearings—and I am sorry that the gentleman from Wisconsin did not receive a special invitation to testify. I regret that personally as chairman of the subcommittee.

Mr. VAN PELT. If the gentleman will yield further, it is also interesting to note that there were only two proponents—the two individuals who introduced the legislation—and one from the Department that appeared in support of this bill, H.R. 1096.

Mr. MORRIS. We did not have any request from other people to appear.

Mr. Speaker, it is a privilege to recommend to the House a bill authorizing Federal assistance to the State of Wisconsin in preserving for future generations one of the notable scientific and geological heritages of our great Nation.

Purposes of H.R. 1096 include the designation of certain areas in Wisconsin, comprising about 32,500 acres, as the Ice Age National Scientific Reserve; the provision of Federal cooperation with the State in formulating a comprehensive plan for this area; and the authorization of financial assistance to the State in land acquisition.

Passage of this legislation is in keeping with the administration's policy of preserving, wherever possible, natural areas of scientific and scenic value to the people of America.

The reserve includes what is regarded as the most outstanding collection of ice age remnants anywhere in the world, and as such its primary value is to the Nation's scientific community. In addition, the reserve will contain many scenic spots to be enjoyed by those who visit it for outdoor recreation purposes.

The proposed Ice Age National Scientific Reserve will include three principal areas, each one within easy access of a different major population center. One area is within 20 to 30 miles of Milwaukee, one within 100 miles of Minneapolis and St. Paul, and the third not far from Madison, Wis. Thus a large segment of the American population lives within easy driving distance of the proposed reserve.

Establishment of the ice age reserve is of more than local or even regional importance; it is a part of all America's heritage. Members of the committee visited the site earlier this year and can attest to the beauty and scientific interest of the area.

Further significance may be attached to this measure. H.R. 1096 offers an opportunity for a first experiment in a joint Federal-State venture in the field of acquisition of areas of national interest and value. If this addition were to be made to the national park system, the entire cost of acquiring land not already owned and of administering the area would be borne by the National Government. By the method proposed in H.R. 1096 the Federal Government shares equally with the State in the cost of acquiring about one-third of the total reserve area. The State already owns nearly two-thirds of the land. In addition Federal maintenance funds are saved.

For these reasons as well as others this measure is worthy of your favorable consideration.

Mr. SAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman of the subcommittee, the gentleman from New Mexico [Mr. MORRIS] stated the facts very clearly.

When this matter had been discussed before our committee on this and other bills concerning this area, it was the recommendation of the group in Wisconsin who have charge of State parks that the Federal Government take over this area—not only what is now a State park—but acquire the additional land that would be necessary.

Rather than do that, our committee took the approach that we should cooperate with the State of Wisconsin and not make this an all-Federal project. All this bill does is to allow the people of Wisconsin to use the money and acquire the needed lands. If there ever was any need for the bill which was passed a week ago, the land and water conservation bill, the gentleman from Wisconsin [Mr. VAN PELT] gave you the reason. He said the reason the people of Wisconsin have not acquired the necessary land for this park is they do not have the money. The House passed that bill and sent it to the Senate; I hope it will become law in this session, that will enable the State of Wisconsin and the Federal Government to have the money. What we intend to do is to see to it that the State of Wisconsin and the Federal Government can preserve this area because it is one that should be preserved.

I hope this bill is passed.

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

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

Mr. CEDERBERG. Mr. Speaker, since the land and water conservation bill has been passed and that would provide money for the State of Wisconsin to acquire the land, why do we need this bill?

Mr. SAYLOR. It will call for cooperation.

Mr. CEDERBERG. We passed the land and conservation bill. I think that is a good bill; I supported it. This bill will allow the conservation commission to purchase land they cannot buy now solely for the State. Do I understand that correctly?

Mr. SAYLOR. This may be one of the results.

Mr. CEDERBERG. Then you do not need this bill.

Mr. SAYLOR. I think our committee could do that.

Mr. CEDERBERG. You took action on this before the land and water conservation bill was passed?

Mr. SAYLOR. Yes, but we did not bring it to the floor.

Mr. CEDERBERG. The land and water conservation bill makes is possible for the State of Wisconsin to buy the land which was passed after the committee took action. When the land and water conservation bill is law, you do not need this bill. That is one of the reasons I voted for the land and water conservation bill, was to let the States acquire the land. You say this bill is going to pass, but still you want this bill. I think you are inconsistent.

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

Mr. SAYLOR. I yield to the gentleman from South Carolina.

Mr. DORN. You bring to the House and want to get passed a bill of this nature without the approval of the Congressman representing the district principally involved?

Mr. ASPINALL. Mr. Speaker, I think we ought to get this straight. The committee has done no such thing. The land involved in this program has been in the districts of four different Members of Congress. Everybody had a right, everybody had the privilege, as they always do, to come before our subcommittee and make out a case. It so happens there were not any involved who were interested at the time the hearings were held. There was an objection made after the bill was placed on the Consent Calendar. The bill has been removed from the House Calendar, and is brought to the House floor for the House to work its will. The Committee on Interior and Insular Affairs is not trying to do anything one way or the other. There have been four Members interested, and all of them have the right and responsibility to come before the committee and make their position known.

Mr. CEDERBERG. I would like to ask the gentleman if my assumption is correct. After the passage of the land and water conservation bill funds will be generated in the States so the States can buy land they say they could not buy before.

Mr. ASPINALL. As far as the practical application is concerned, the gentleman may be right. What we do with this legislation is to make this a national proposition so far as operation by the States are concerned.

Mr. CEDERBERG. I can appreciate the gentleman's position, but one of the reasons I voted for the land and water

conservation bill was that I hoped in my State of Michigan it would generate funds that would make it unnecessary for the State to come in and do what we are asking the State of Wisconsin to do.

Mr. ASPINALL. As I understand it, the State of Michigan has brought before our committee a very important bill which is rather complex, and in which the State of Michigan is asking for recognition. This is a similar category, but a little different.

Mr. CEDERBERG. I am aware of what the gentleman is speaking of, and I would hope it may not be necessary now for the Federal Government to act in this area, simply generating enough funds so that the State can do it by itself. That is why we passed the land-water conservation bill, and if I understand it right you do not need this bill.

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

Mr. SAYLOR. I yield to the gentleman from North Carolina.

Mr. WHITENER. I want to ask the gentleman, in view of the statement just made, how much of this district is in the district of the gentleman from Wisconsin [Mr. VAN PELT] and the other gentleman from Wisconsin who has had a part in this discussion.

Mr. REUSS. For the information of the gentleman from North Carolina, I may say that the acreage is as follows. There is a total of 32,500 acres. Some 12,000 acres taken would be in the district of the gentleman from Wisconsin [Mr. VAN PELT], some 5,000 in the district of the author of the legislation [Mr. JOHNSON], some 2,000 in the district of the gentleman from Wisconsin [Mr. THOMSON], who vigorously supports the bill, and the remaining parts of around 2,000 acres in various scattered districts.

The land in the gentleman from Wisconsin [Mr. VAN PELT'S] district is land which is scheduled for public voluntary acquisition and has been so scheduled for more than 25 years, so it will be acquired in any event.

Mr. WHITENER. I thank the gentleman.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield.

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

Mr. JOHANSEN. Apropos of the point the chairman made, I think the question is not whether there is a right on the part of the gentleman from Wisconsin [Mr. VAN PELT] to appear before the committee, I think it is a case of lack of notification of the gentleman from Wisconsin. May I ask the gentleman from Wisconsin if that is not the case?

Mr. VAN PELT. It could very well have been. I do not question the integrity of the committee because they are all friends of mine.

Mr. JOHANSEN. Neither do I, certainly.

Mr. VAN PELT. Of course, if they had mentioned where this area was, I am sure the committee would have notified me.

Mr. JOHANSEN. I am, too. I would never question the good faith of the committee. But the fact is it was acted on by the committee without the gentleman's having adequate notice.

Mr. ASPINALL. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Speaker, I want to commend the gentleman from Colorado [Mr. ASPINALL], the gentleman from Pennsylvania [Mr. SAYLOR], and the entire membership of the Committee on Interior and Insular Affairs for bringing out unanimously on the floor the legislation introduced by my colleague from Wisconsin [Mr. JOHNSON], on which he and others have worked since 1958.

The gentleman from Michigan [Mr. CEDERBERG] raised a point which should be answered. Why not let this area be acquired by the State of Wisconsin under the land and water conservation fund? I think that this needs an answer. The answer is that national recognition for the reserve is needed, because in the entire United States this area of Wisconsin happens to be the one area where there appears every example of glacial geology, where the great glaciers moved through the Midwest, including the State of Michigan and the State of Iowa. This area contains the finest example of that glaciation, and it deserves recognition just as the Grand Canyon, the Yosemite, the Great Smokies, and our many other fine parks deserve it. The State of Wisconsin is going to administer the reserve. I am sure the gentleman, like me, wants to keep this area in State ownership.

If the land and water conservation bill is passed, Wisconsin's share under that fund would be used for the 50 percent Federal contribution for the 12,000 additional acres needed in the reserve. This is my clear understanding as I understand it to be the understanding of the members of the committee.

I would make just one more point in connection with what the National Park Service has called one of the finest examples of our scientific heritage in the entire country, and that is this: It is simply not correct to say, as has been said, that there would be any Federal fees charged for admission to this reserve. It will be entirely under State administration. The land and water conservation fund bill would prohibit fees by the Federal Government in such a situation.

I hope the House will ratify this bill so that we can go forward.

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

Mr. REUSS. I yield to the gentleman from New Mexico.

Mr. MORRIS. The land and water conservation fund bill prohibits the charging of fees by the Federal Government.

Mr. REUSS. Yes, that is correct.

Mr. MORRIS. But it is silent with regard to the State and the State of Wisconsin could charge or could not charge a fee as might be desired by the State of Wisconsin.

Mr. REUSS. That is entirely correct.

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

Mr. REUSS. I yield to the gentleman.

Mr. UDALL. I would like to make one more point in connection with these bills. The 88th Congress has not added a single park or historic site or monument to the national park system. Yet, we are in a phase of our national life when we are losing our last opportunity to do so. These seven bills are carefully picked and chosen. There is an advisory committee on national parks and historic sites. It is nonpartisan and has existed for years. It is manned by some of the finest historians and scientific experts. They get hundreds of applications—"Please—George Washington slept here—let us have this for a Federal park or national historic site." All of these monuments before us today have gone through this very searching and rigorous examination by this fine board. They have been backed up for years, well back in the Eisenhower administration and before. This site is one of those that has been very carefully picked and checked over. It has national significance and that is why it should be passed today.

Mr. REUSS. Mr. Speaker, I yield to the distinguished sponsor of the bill, the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Speaker, across the northern half of America—from the Atlantic to the Rockies—the ice age left a colossal hallmark upon our landscape. It is seen in the headlands of Cape Cod—and in the hills of Michigan. But nowhere is it more evident and impressive than in Wisconsin. In fact, the State has lent its name to the most recent advance of the continental ice sheet, the Wisconsin stage of the continental glacier, which ended 10,000 years ago.

The legislation we are considering today would be another step forward in rounding out the National Park Service's program of setting aside outstanding examples of scenic and scientific value for the benefit and enjoyment of all the people. The most spectacular canyons, deepest caves, highest mountains, significant biological assemblies and the most honored shrines are units of the national park system. No one denies the eminent worth of this program, which has been studied and copied throughout the world.

In addition to its many historic shrines, our national park system includes outstanding examples of earth-forming processes. The work of volcanoes is found in Lassen Volcanic National Park and Hawaii National Park. The action of ground water is seen at Carlsbad Caverns, Wind Cave and Mammoth Cave National Parks. Examples of mountain building are found in Mount McKinley National Park, the highest peak in North America, and Mount Whitney, in Sequoia National Park.

Mr. Speaker, in contrast, the lowest point in the Nation is included in Death Valley National Monument. The work of erosion can be seen in all its splendor at Grand Canyon, Kings Canyon and Bryce Canyon National Parks, to name a few. Of biological significance are the Everglades, Sequoia and Olympic National Parks.

Mountain glaciers are set aside for public enjoyment at Mount Rainier and Glacier National Parks. Yosemite, Crater Lake, Rocky Mountain, Shenandoah, Great Smokies, Isle Royale, Big Bend and others that have unique features are widely known. Over 50 million folks like these national parks well enough to visit them every year.

In this parade of the scenic and scientific treasures of the Nation, the vast cosmic force of continental glaciation has scarcely been recognized. Although Acadia National Park in Maine and Isle Royale National Park in Lake Superior were planed off by the ice sheet, there is little evidence of the magnitude of the forces visible in these parks today.

Mr. Speaker, the outstanding work of the continental glacier is shown in the features found in the heartland of America—the area which this legislation is designed to protect and preserve. In this region, the massive ice sheet altered drainage systems, determined the course of rivers, filled valleys, created hills and plains and thousands of lakes—making the area truly the Land of the Lakes.

After extensive field surveys and other studies of Wisconsin's proposed Ice Age National Scientific Reserve, the U.S. Department of Interior has recommended that national recognition be given to the significant features of the State's glaciated areas by designating them as the Ice Age National Scientific Reserve. They are: roughly 10,000 acres in the Bloomer region of Chippewa County; 17,000 acres in the Kettle Moraine and Campbellsport region; 3,500 acres in the Devils Lake area and about 2,000 acres in other areas.

Included in these areas are outstanding examples of the topographic features peculiar to glaciation—drumlins, kames, eskers, boulder trains, kettle moraines and, of course, lakes. The Bloomer region in Chippewa County alone contains approximately 300 glacial lakes.

Mr. Speaker, the Ice Age National Scientific Reserve would be within easy driving range of one of the greatest population concentrations in the United States, an area that is presently almost entirely without examples of the national park system. The three main areas of the proposed reserve are within a few miles of Wisconsin's main population centers—Milwaukee and the lakeshore cities; Madison, and the Eau Claire-Twin Cities areas, respectively.

As the recent report of the Outdoor Recreational Resources Review Board made clear, parks and recreational facilities within easy driving distance of our metropolitan centers are our most imperative resource need. The densely populated area within 70 miles of the Wisconsin-Illinois line will have 16 million people by 1980 and perhaps 32 million by the year 2000. Already, nearly 80 percent of the use of Wisconsin State Parks is by people from outside Wisconsin.

The Kettle Moraine State Forest alone has more visitors a year than at least 16 of our national parks. Only Great Smoky Mountains and Shenandoah National Parks, both of which are located on the populous east coast, get more usage than Wisconsin's own Devil's Lake State Park.

Mr. Speaker, even more visitors would come to this vacation paradise if coordinated management, protection, and improvement of desirable areas could be inaugurated. This is the purpose of the legislation on which my Wisconsin colleague, Congressman HENRY REUSS, and I have been working for the past 5 years.

The Ice Age Scientific Reserve would be a joint Federal, State, and local venture. The reserve would remain under the administration of the State of Wisconsin, but the Federal Government would assist the State in acquiring additional lands. Some 20,500 of the 32,500 acres to be included in the proposed reserve are already in public ownership.

The cost of the 12,000 additional acres, at prices ranging from $50 to $200 an acre, is estimated at $1,550,000. The Federal share, as provided in the bill, would not exceed $750,000. The legislation also includes an authorization of $50,000 for use by the Secretary of Interior, in cooperation with State and local governmental authorities in Wisconsin, for the formulation of a comprehensive plan for protecting and interpreting the outstanding examples of continental glaciation in the State.

Mr. Speaker, county, State, and Federal teamwork such as this promises to be highly successful in Wisconsin because of the State's forward-looking park conservation program. Congressman REUSS and I believe that passage of this bill will constitute a real conservation landmark, for our proposed legislation offers a carefully thought-out approach to the problem of preserving the essentially national scientific values of the Wisconsin glaciers with a minimum amount of Federal participation. The National Wildlife Federation agrees that our proposal might very well set a pattern for the conservation of natural resources in other parts of the country.

When the late President Kennedy presented his 1962 conservation message to the Congress, he listed the Ice Age National Scientific Reserve as one of 10 urgently needed new units in the national park system

The proposal has been approved by the U.S. Department of the Interior, the Department of Agriculture; the Bureau of the Budget; and the Wisconsin Conservation Department. Additional support has come from the Wisconsin Federation of Conservation Clubs; the National Wildlife Federation; the Izaak Walton League of America; the National Audubon Society; the Sierra Club; and countless conservation minded groups and individuals.

Writing to me in support of the Ice Age National Scientific Reserve bill, Walter Fuhrman, secretary of the Milwaukee County Conservation Alliance, observed that the Wisconsin ice age areas are hiked, skied, picnicked, fished and studied every year by many, many people throughout the Nation and even the world. Mr. Fuhrman wrote:

> We have the most renowned vestiges of the ice age not only in this country, but in the world. Moreover, they are readily accessible to millions of our people. Those areas not owned by the State of Wisconsin are now being mercilessly chewed up by the decentralization of our ever-increasing population. The land prices today are high and rapidly going higher. The State just cannot financially meet the problem of securing those recreationally and scientifically vital presently privately owned areas by itself. It shouldn't have to.
>
> It will be criminal if these internationally significant areas are not preserved for generations to come. We have a singular opportunity and responsibility to protect them. We must act quickly, though. For once these areas are destroyed, they will be gone forever. No amount of money can ever bring back these remnants of the tremendous forces of nature that shaped a good share of our country and the world.

Mr. Speaker, the necessity to meet the outdoor needs of our people now and in the future will, in all likelihood, be the sharpest and most consistent pressure on our land, water and forests in the years ahead. In view of this fact, it is important that we act now to insure that there will be sufficient outdoor recreational areas available to meet the needs of our increasing population, so that our children and their children may have the outdoor opportunities which we have had.

The scenic charm, scientific importance and recreational potential of the proposed Ice Age National Scientific Reserve make it worthy of inclusion in the family of national parks. It would bring into the national park system the only areas whose primary purpose would be the interpretation of the ice age—the only major earth process not now specifically recognized in our national parks. The proposed reserve would point up the scientific and cultural importance of the vast glaciated terrain which reaches from the Arctic Ocean to the Missouri and Ohio Rivers, and from the Continental Divide to the Atlantic Ocean—the heartland of North America.

Following hearings in the 87th and 88th Congresses and an on-the-spot survey by the House National Parks Subcommittee, its members favorably reported the Ice Age Scientific Reserve proposal to the Committee on Interior and Insular Affairs. Members of the full committee voted to favorably report the legislation on November 6. I hope that my colleagues in the House will follow suit and vote to bring the Ice Age National Scientific Reserve a step closer to becoming a reality.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I take this time to say I hope this bill will pass. It is a great tribute to a friend with whom I served on the great Committee on Agriculture for many years, the distinguished gentleman from Wisconsin [Mr. JOHNSON]. This is good legislation and should be passed.

The SPEAKER pro tempore (Mr. PRICE). The question is on the motion of the gentleman from Colorado [Mr. ASPINALL] that the House suspend the rules and pass the bill, H.R. 1096, with amendments.

The question was taken; and on a division (demanded by Mr. VAN PELT) there were—ayes 45, noes 77.

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

The SPEAKER pro tempore (Mr. PRICE). Evidently a quorum is not present.

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

The question was taken; and there were—yeas 164, nays 154, not voting 113, as follows:

[Roll No. 198]

YEAS—164

Addabbo	Griffiths	Patman
Albert	Hagan, Ga.	Patten
Anderson	Hagen, Calif.	Pepper
Andrews, N. Dak.	Hanna	Philbin
	Hansen	Pickle
Aspinall	Harding	Pike
Baldwin	Harrison	Poage
Barrett	Hawkins	Powell
Beckworth	Hays	Price
Blatnik	Hechler	Quie
Boggs	Horton	Rains
Brademas	Huddleston	Reuss
Brooks	Jennings	Rhodes, Pa.
Brown, Calif.	Johnson, Wis.	Rich
Burke	Jones, Ala.	Rivers, Alaska
Burkhalter	Karth	Rodino
Burton, Calif.	Kastenmeier	Rogers, Colo.
Burton, Utah	Kelly	Rogers, Fla.
Byrne, Pa.	Kilgore	Rogers, Tex.
Byrnes, Wis.	King, Calif.	Rooney, Pa.
Carey	Kirwan	Roosevelt
Celler	Laird	Rosenthal
Clark	Leggett	Roush
Cleveland	Libonati	Roybal
Cooley	Long, La.	Ryan, N.Y.
Daddario	Long, Md.	St. Onge
Daniels	McClory	Saylor
Davis, Ga.	McDade	Secrest
Dawson	McFall	Senner
Delaney	Macdonald	Sickles
Dent	Mahon	Slack
Denton	Martin, Nebr.	Smith, Iowa
Dole	Mathias	Staggers
Donohue	Matsunaga	Steed
Dulski	Matthews	Stephens
Duncan	May	Stubblefield
Edmondson	Mills	Sullivan
Edwards	Minish	Taylor
Elliott	Moorhead	Thomas
Everett	Morgan	Thompson, N.J.
Fallon	Morris	Thompson, Tex.
Farbstein	Morrison	Thomson, Wis.
Fascell	Morton	Trimble
Fogarty	Moss	Udall
Friedel	Multer	Ullman
Gallagher	Murphy, Ill.	Van Deerlin
Garmatz	Murphy, N.Y.	Vanik
Gibbons	Murray	Vinson
Gilbert	O'Brien, N.Y.	Watts
Gonzalez	O'Hara, Ill.	Weltner
Goodell	O'Hara, Mich.	Westland
Grabowski	O'Konski	White
Gray	Olsen, Mont.	Wickersham
Green, Oreg.	Olson, Minn.	Young
Green, Pa.	O'Neill	Zablocki

NAYS—154

Abbitt	Broyhill, N.C.	Fisher
Abele	Broyhill, Va.	Flynt
Abernethy	Bruce	Ford
Andrews, Ala.	Burleson	Fountain
Arends	Cahill	Frelinghuysen
Ashbrook	Casey	Fulton, Pa.
Ashmore	Cederberg	Fuqua
Auchincloss	Chelf	Gathings
Ayres	Chenoweth	Glenn
Baker	Clancy	Goodling
Bates	Clausen, Don H.	Grant
Battin		Gross
Becker	Clawson, Del	Grover
Beermann	Colmer	Gurney
Belcher	Conte	Haley
Bell	Corbett	Hall
Bennett, Fla.	Cramer	Halleck
Berry	Cunningham	Hardy
Betts	Curtin	Harris
Bolton, Frances P.	Dague	Harsha
	Derounian	Harvey, Ind.
Bow	Devine	Henderson
Bray	Dorn	Herlong
Brock	Dowdy	Hoeven
Broomfield	Downing	Horan
Brotzman	Dwyer	Hosmer
Brown, Ohio	Feighan	Hutchinson
Jarman	Pelly	Smith, Calif.
Jensen	Pillion	Smith, Va.
Joelson	Pirnie	Springer
Johansen	Poff	Stafford
Johnson, Pa.	Quillen	Stinson
Jonas	Reid, Ill.	Talcott
Keith	Reid, N.Y.	Teague, Calif.
King, N.Y.	Reifel	Teague, Tex.
Knox	Rielhman	Tollefson
Kornegay	Rivers, S.C.	Tuck
Kunkel	Roberts, Tex.	Tupper
Langen	Rooney, N.Y.	Tuten
Latta	Roudebush	Utt
Lindsay	St. George	Van Pelt
Lipscomb	Schadeberg	Waggonner
McCulloch	Schenck	Watson
McLoskey	Schneebeli	Wharton
Marsh	Schweiker	Whitener
Martin, Mass.	Schwengel	Whitten
Michel	Scott	Widnall
Minshall	Selden	Williams
Moore	Short	Winstead
Mosher	Sibal	Wydler
Natcher	Sikes	Wyman
Ostertag	Siler	Younger

NOT VOTING—113

Adair	Gubser	Nix
Alger	Halpern	Norblad
Ashley	Harvey, Mich.	Osmers
Avery	Healey	Passman
Baring	Hébert	Perkins
Barry	Hoffman	Pilcher
Bass	Holifield	Pool
Bennett, Mich.	Holland	Pucinski
Boland	Hull	Purcell
Bolling	Ichord	Randall
Bolton, Oliver P.	Johnson, Calif.	Rhodes, Ariz.
	Jones, Mo.	Roberts, Ala.
Bonner	Karsten	Robison
Bromwell	Kee	Rostenkowski
Buckley	Keogh	Rumsfeld
Cameron	Kilburn	Ryan, Mich.
Chamberlain	Kluczynski	St Germain
Cohelan	Kyl	Sheppard
Collier	Landrum	Shipley
Corman	Lankford	Shriver
Curtis	Lennon	Sisk
Davis, Tenn.	Lesinski	Skubitz
Derwinski	Lloyd	Snyder
Diggs	McDowell	Staebler
Dingell	McIntire	Stratton
Ellsworth	McMillan	Taft
Evins	MacGregor	Thompson, La.
Findley	Madden	Toll
Finnegan	Mailliard	Wallhauser
Fino	Martin, Calif.	Weaver
Flood	Meader	Whalley
Foreman	Miller, Calif.	Willis
Forrester	Miller, N.Y.	Wilson, Bob
Fraser	Milliken	Wilson, Charles H.
Fulton, Tenn.	Monagan	
Gary	Montoya	Wilson, Ind.
Giaimo	Morse	Wright
Gill	Nedzi	
Griffin	Nelsen	

So, two-thirds not having voted in favor thereof, the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh and Mr. Karsten for, with Mr. Hébert against.

Mr. Toll and Mr. Stratton for, with Mr. Passman against.

Mr. Johnson of California and Mr. Miller of California for, with Mr. Alger against.

Mr. Pucinski and Mr. Rostenkowski for, with Mr. Miller of New York against.

Mr. Holifield and Mr. Cohelan for, with Mr. McIntire against.

Mr. Flood and Mr. Monagan for, with Mr. Wallhauser against.

Mr. Montoya and Mr. McDowell for, with Mr. McMillan against.

Mr. Madden and Mr. Kluczynski for, with Mr. Hoffman against.

Mr. Ashley and Mr. Healey for, with Mr. Oliver P. Bolton against.

Mr. Ryan of Michigan and Mr. St Germain for, with Mr. Fino against.

Mr. Sisk and Mr. Shipley for, with Mr. Foreman against.

Mr. Corman and Mr. Dingell for, with Mr. Weaver against.

Mr. Buckley and Mr. Cameron for, with Mr. Kilburn against.

Mr. Giaimo and Mr. Holland for, with Mr. Osmers against.

Mr. Charles H. Wilson and Mrs. Kee for, with Mr. Nelsen against.

Mr. Finnegan and Mr. Gill for, with Mr. Morse of Massachusetts against.

Mr. Rhodes of Arizona and Mr. Robison for, with Mr. Pool against.

Mr. Randall and Mr. Sheppard for, with Mr. Lennon against.

Mr. Nedzi and Mr. Nix for, with Mr. Taft against.

Mr. Boland and Mr. Davis of Tennessee for, with Mr. Gary against.

Mr. Diggs and Mr. Lankford for, with Mr. Wilson of Indiana against.

Until further notice:

Mr. Baring with Mr. Halpern.

Mr. Landrum with Mr. Bennett of Michigan.

Mr. Thompson of Louisiana with Mr. Collier.

Mr. Hull with Mr. Findley.

Mr. Ichord with Mr. Ellsworth.

Mr. Staebler with Mr. Griffin.

Mr. Evins with Mr. Bob Wilson.

Mr. Fulton of Tennessee with Mr. Whalley.

Mr. Forrester with Mr. Shriver.

Mr. Pilcher with Mr. Meader.

Mr. Purcell with Mr. Mailliard.

Mr. Roberts of Alabama with Mr. Barry.

Mr. Perkins with Mr. Gubser.

Mr. Willis with Mr. Snyder.

Mr. Lesinski with Mr. Chamberlain.

Mr. Fraser with Mr. Martin of California.

Mr. Bonner with Mr. Norblad.

Mr. Bass with Mr. Adair.

Messrs. BURTON of Utah and MORTON changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

NEW PAY BILL FOR POLICE AND FIREMEN OF THE DISTRICT OF COLUMBIA

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

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

There was no objection.

Mr. WHITENER. Mr. Speaker, I have today introduced a new pay bill for the police and firemen of the District of Columbia.

The major provisions of my bill, designed to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, so as to increase salaries and adjust pay alinement, where recommended by the Board of Commissioners of the District of Columbia.

A recent study made of police and firemen's salaries revealed that at least 18 of the 20 other municipalities with populations greater than 500,000 have given pay increases to their police and fire employees since similar pay data was obtained in August 1962. Since that time, for example, police privates in these 18 cities received pay increases averaging 6.4 percent.

In addition to these increases given in other major cities, communities in the Washington metropolitan area are actively considering increases for their police and fire personnel.

The salary increases proposed in this bill will compare favorably with increases

given other District employees. Also, the increase from $5,650 to $6,010 provided by the bill for the minimum salaries of police privates would raise the relative standing of the District of Columbia in this respect from eighth to sixth place by comparison with 20 other major cities; and the proposed increase in the maximum salary for police privates from $7,150 to $7,610 would retain the District's present relative standing of fifth place in this regard.

I believe these increases and alinements to be essential for the continued high morale in and effectiveness of these vital public services in our Nation's Capital.

ALLEGHENY PORTAGE RAILROAD NATIONAL HISTORIC SITE AND JOHNSTOWN FLOOD NATIONAL MEMORIAL, PA.

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 931) to provide for the establishment of the Allegheny Portage Railroad National Historic Site and the Johnstown Flood National Memorial in the State of Pennsylvania, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to establish, as herein provided, the Allegheny Portage Railroad National Historic Site and the Johnstown Flood National Memorial in the State of Pennsylvania. For this purpose the Secretary may designate up to nine hundred and fifty acres of land that may, in his discretion, including portions of the Pennsylvania Canal, the Lemon House, the summit of the Allegheny Portage Railroad, the Skew Arch Bridge, incline planes numbered 6, 7, 8, 9, and 10 and the levels between them, the Portage Railroad tunnel, and such other land and historic features as may be necessary to illustrate the significant role of the Allegheny Portage Railroad and the Pennsylvania Canal in the Nation's history; and he may designate up to fifty-five acres in Cambria County, Pennsylvania, for use in commemorating the tragic Johnstown flood of May 31, 1889.

SEC. 2. Within the areas designated pursuant to section 1, the Secretary is authorized to acquire lands and interests in lands by purchase, donation, purchase with donated funds, or otherwise.

SEC. 3. When the Secretary of the Interior has acquired sufficient lands to form administrable park units, he shall publish notice of that fact in the Federal Register and the areas designated pursuant to section 1 shall thereafter be known as the Allegheny Portage Railroad National Historic Site and the Johnstown Flood National Memorial and shall be administered by the Secretary of the Interior pursuant to the provisions of the Act entitled "An Act to establish the National Park Service, and for other purposes," approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

SEC. 4. To provide for the preservation and interpretation of the remaining portions of the Allegheny Portage Railroad route not included within the national historic site, and to further commemorate the Johnstown flood, the Secretary is authorized to enter into cooperative agreements with the State of Pennsylvania, political subdivisions thereof, corporations, associations, or individuals, and to erect and maintain tablets or markers in accordance with the provisions contained in the Act approved August 21, 1935, entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes" (49 Stat. 666).

SEC. 5. There are authorized to be appropriated such sums, but not more than $2,000,000, for land acquisition and development, as may be necessary to carry out the purposes of this Act.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania and I may extend our remarks at this point in the RECORD.

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

There was no objection.

Mr. ASPINALL. Mr. Speaker, H.R. 931 is by the gentleman from Pennsylvania [Mr. SAYLOR] the valued ranking minority member of our Committee on Interior and Insular Affairs. It is a double-barreled bill. It will authorize establishment of the Allegheny Portage Railroad National Historic Site and of the Johnstown Flood National Memorial. Such action is recommended not only by the Department of the Interior but also by the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments.

Construction of the Allegheny Portage Railroad was an important step in the history of transportation in the United States. It was also an engineering achievement of the first order. The railroad was one unit of the 395-mile transportation system which the State of Pennsylvania built between Philadelphia and Pittsburgh. The first part of this system was a railroad from Philadelphia to Columbia, the second a canal from Columbia to Hollidaysburg, the third the 36-mile Allegheny Portage Railroad from Hollidaysburg to Johnstown, and the fourth another canal from Johnstown to Pittsburgh.

In the course of its 36 miles, the Allegheny Portage Railroad climbed 1,400 feet on the eastern slope of the mountains and dropped 1,200 feet on the other side. Its 900-foot Staple Bend tunnel was the first railroad tunnel in America. The railroad went into operation in 1834 and continued until 1858. During this period it contributed greatly to the settlement of the Midwest and transported across the Alleghenies such famous passengers as Henry Clay, Jenny Lind, Charles Dickens, Lajos Kossuth, and others.

I wish that we could include the whole 36 miles of the Allegheny Portage Railroad in the new national historic site. Unfortunately this cannot be, since large portions of the route have been obliterated by modern developments. But although we can include only about 950 acres along about 4 miles of the original right-of-way, preservation of even this small part will give us and future generations a good picture of the scene as it was when the railroad was in operation.

The Johnstown Flood National Memorial is the other part of H.R. 931. It is proposed that about 50 acres be acquired at the site of South Fork Dam on the Little Conemaugh River for this purpose. This dam, originally constructed to provide water for operation of the Pennsylvania Canal, ceased operation when the Allegheny Portage Railroad system was abandoned. Thiry years later—on May 31, 1889, to be exact—the dam burst. The result was what we all know as the Johnstown flood, the greatest catastrophe in America up to that time.

H.R. 931, as amended by the committee, limits appropriations for land acquisition and development in connection with these two areas to $2 million. Estimated operating expenses for the two areas are $75,000 a year.

Mr. Speaker, I recommend enactment of H.R. 931.

Mr. SAYLOR. Mr. Speaker, H.R. 931 will establish the Allegheny Portage Railroad and the Johnstown Memorial Flood Area as a national historic site. The legislation combines two bills which I first introduced in 1962—one will preserve an ingenious transportation link between two parts of America that were divided by what seemed a century and a half ago to be an insurmountable mountain range. The other memorializes a tragic event that shocked the world and at the same time demonstrated how a God-fearing and courageous people can overcome tragedy and rebuild a community.

The Pennsylvania Canal was one of the great canals in American history. Constructed between 1826 and 1834 at the height of the canal era, it was the only real rival to the Erie Canal. It represented the first attempt to conquer by something more than wagon train the difficult terrain between Philadelphia and Pittsburgh. As completed, the canal consisted of an eastern division—Columbia to Hollidaysburg—and a western division—Johnstown to Pittsburg—the two connected by the unique Allegheny Portage Railroad—Hollidaysburg to Johnstown—over the main ridge of the Allegheny Mountains. The Columbia Railroad joined the eastern terminus of the canal to Philadelphia. At canal basins in Columbia, Hollidaysburg, and Johnstown, freight and passengers were transferred from canalboat to railroad car, or vice versa. The whole system was 395 miles long, 36 miles of which was traversed by the Allegheny Portage Railroad. The railroad remnants that exist today are an effective symbol of the entire canal system.

As a railroad, the Allegheny Portage was an engineering triumph which Edward Stevenson, noted English engineer who journeyed over it in 1837, compared favorably with the engineering feats at Simplon Pass and Mount Cenis. Built 1831–34, it was a combination level-track and inclined plane railway. Five inclined planes, using cables powered by stationary engines, overcame the nearly 1,400-foot rise from Hollidaysburg west to the Allegheny summit at Blair's Gap; five more and a 901-foot tunnel, the first railroad tunnel in America, overcame the nearly 1,200-foot drop from the summit down into Johnstown.

At first, the State of Pennsylvania furnished motive power only on the inclined sections of the railroad, on which the railroad cars were hauled either upward or lowered by a continuous rope. Gradually, State-owned locomotives superseded privately owned horsepower on the levels, which—through tracks—were initially operated much as public highways. The final step was the establishment of the truck system—State-owned railway flatcars on which sectionally built canalboats could be loaded—without the necessity of transferring freight and passengers—and transported from one canal terminal to the other. Amphibian carriers could then journey from Philadelphia to Pittsburgh without serious delay.

Another physical symbol of the Pennsylvania Canal in the Hollidaysburg-Johnstown area is also a more poignant symbol of one of our great natural disasters, the Johnstown flood of 1889. This is the two-part remnant of the South Fork Dam, originally constructed across the South Fork Run—Little Conemaugh River—to impound water for that part of the canal that extended from Johnstown to Pittsburgh. The reservoir formed by this dam—Lake Conemaugh—was 3 miles long, more than a mile wide in places, and contained an estimated 20 million tons of water, forming perhaps the largest artificial lake in the country at the time of its construction. Abandoned when the Portage Railroad system was made obsolete by the construction of the Pennsylvania Railroad, the dam and reservoir came eventually into the hands of the South Fork Hunting and Fishing Club, which developed the lake as a private resort. Never properly maintained, the dam suddenly gave way on May 31, 1889, following a period of heavy rains. The result was the disaster we remember as the Johnstown flood.

Combined, the Portage Railroad and the Johnstown Flood Memorial will present new interest to local residents and at the same time attract tourists from all parts of the country. It will be only the fifth site in Pennsylvania to be shown on National Park Service maps—the others being the Gettysburg National Military Park, Independence National Historical Park, Fort Necessity National Battlefield, and Hopewell Village National Historic Site.

The SPEAKER pro tempore. Is a second demanded? If not, the question is, Will the House suspend the rules and pass the bill H.R. 931, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROVIDING AN ADEQUATE BASIS FOR ADMINISTRATION OF THE LAKE MEAD NATIONAL RECREATION AREA, ARIZ., AND NEV.

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4010) to provide an adequate basis for administration of the Lake Mead National Recreation Area, Ariz., and Nev., and for other purposes, with amendments.

The Clerk read the title of the bill.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the national significance of the Lake Mead National Recreation Area, in the States of Arizona and Nevada, and in order to establish a more adequate basis for effective administration of such area for the public benefit, the Secretary of the Interior hereafter may exercise the functions and carry out the activities prescribed by this Act.

SEC. 2. Lake Mead National Recreation Area shall comprise that particular land and water area which is shown on a certain map, identified as "boundary map, RA–LM–7060–B, revised July 17, 1963", which is on file and which shall be available for public inspection in the office of the National Park Service of the Department of the Interior. An exact copy of such map shall be filed with the Federal Register within thirty days following the approval of this Act, and an exact copy thereof shall be available also for public inspection in the headquarters office of the superintendent of the said Lake Mead National Recreation Area.

The Secretary of the Interior is authorized to revise the boundaries of such national recreation area, subject to the requirement that the total acreage of that area, as revised, shall be no greater than the present acreage thereof. In the event of such boundary revision, maps of the recreation area, as revised, shall be prepared by the Department of the Interior, and shall be filed in the same manner, and shall be available for public inspection also in accordance with the aforesaid procedures and requirements relating to the filing and availability of maps. The Secretary may accept donations of land and interests in land within the exterior boundaries of such area, or such property may be procured by the Secretary in such manner as he shall consider to be in the public interest.

In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property located within the boundaries of the recreation area and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary, notwithstanding any other provision of law. The properties so exchanged shall be approximately equal in fair market value: *Provided,* That the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

Establishment or revision of the boundaries of the said national recreation area as herein prescribed, shall not affect adversely any valid rights in the area, nor shall it affect the validity of withdrawals heretofore made for reclamation or power purposes. All lands in the recreation area which have been withdrawn or acquired by the United States for reclamation purposes shall remain subject to the primary use thereof for reclamation and power purposes so long as they are withdrawn or needed for such purposes. There shall be excluded from the said national recreation area by the Secretary of the Interior any property for management or protection by the Bureau of Reclamation, which would be subject otherwise to inclusion in the said recreation area, and which the Secretary of the Interior considers in the national interest should be excluded therefrom.

SEC. 3. The authorities granted by this Act shall be subject to the following exceptions and qualifications when exercised with respect to any tribal or allotted lands of the Hualapai Indians that may be included within the exterior boundaries of the Lake Mead National Recreation Area:

(a) The inclusion of Indian lands within the exterior boundaries of the area shall not be effective until approved by the Hualapai Tribal Council.

(b) Mineral developments or use of the Indian lands shall be permitted only in accordance with the laws that relate to Indian lands.

(c) Leases and permits for general recreational use, business sites, home sites, vacation cabin sites, and grazing shall be executed in accordance with the laws relating to leases of Indian lands, provided that all development and improvement leases so granted shall conform to the development program and standards prescribed for the Lake Mead National Recreation Area.

(d) Nothing in this Act shall deprive the members of the Hualapai Tribe of hunting and fishing privileges presently exercised by them, nor diminish those rights and privileges of that part of the reservation which is included in the Lake Mead Recreation Area.

SEC. 4. (a) Lake Mead National Recreation Area shall be administered by the Secretary of the Interior for general purposes of public recreation, benefit, and use, and in a manner that will preserve, develop, and enhance, so far as practicable, the recreation potential, and in a manner that will preserve the scenic, historic, scientific, and other important features of the area, consistently with applicable reservations and limitations relating to such area and with other authorized uses of the lands and properties within such area.

(b) In carrying out the functions prescribed by this Act, in addition to other related activities that may be permitted hereunder, the Secretary may provide for the following activities, subject to such limitations, conditions, or regulations as he may prescribe, and to such extent as will not be inconsistent with either the recreational use or the primary use of that portion of the area heretofore withdrawn for reclamation purposes:

(1) General recreation use, such as bathing, boating, camping, and picnicking;

(2) Grazing;

(3) Mineral leasing;

(4) Vacation cabin site use, in accordance with existing policies of the Department of the Interior relating to such use, or as such policies may be revised hereafter by the Secretary.

SEC. 5. The Secretary of the Interior shall permit hunting, fishing, and trapping on the lands and waters under his jurisdiction within the recreation area in accordance with the applicable laws and regulations of the United States and the respective States: *Provided,* That the Secretary, after consultation with the respective State fish and game commissions, may issue regulations designating zones where and establishing periods when no hunting, fishing, or trapping shall be permitted for reasons of public safety, administration, or public use and enjoyment.

SEC. 6. Such national recreation area shall continue to be administered in accordance with regulations heretofore issued by the Secretary of the Interior relating to such areas, and the Secretary may revise such regulations or issue new regulations to carry out the purposes of this Act. In his administration and regulation of the area, the Secretary shall exercise authority, subject to the provisions and limitations of this Act, comparable to his general administrative authority relating to areas of the national park system.

The superintendent, caretakers, officers, or rangers of such recreation area are authorized to make arrests for violation of any of the regulations applicable to the area or prescribed pursuant to this Act, and they may bring the offender before the nearest commissioner, judge, or court of the United States having jurisdiction in the premises.

Any person who violates a rule or regulation issued pursuant to this Act shall be guilty of a misdemeanor, and may be punished by a fine of not more than $500, or by imprisonment not exceeding six months, or by both such fine and imprisonment.

SEC. 7. Nothing in this Act shall deprive any State, or any political subdivision thereof, of its civil and criminal jurisdiction over the lands within the said national recreation area, or of its rights to tax persons, corporations, franchises, or property on the lands included in such area. Nothing in this Act shall modify or otherwise affect the existing jurisdiction of the Hualapai Tribe or alter the status of individual Hualapai Indians within that part of the Hualapai Indian Reservation included in said Lake Mead National Recreation Area.

SEC. 8. Revenues and fees obtained by the United States from operation of the national recreation area shall be subject to the same statutory provisions concerning the disposition thereof as are similar revenues collected in areas of the national park system with the exception, that those particular revenues and fees including those from mineral developments, which the Secretary of the Interior finds are reasonably attributable to Indian lands shall be paid to the Indian owner of the land, and with the further exception that other fees and revenues obtained from mineral development and from activities under other public land laws within the recreation area shall be disposed of in accordance with the provisions of the applicable laws.

SEC. 9. A United States commissioner shall be appointed for that portion of the Lake Mead National Recreation Area that is situated in Mohave County, Arizona. Such commissioner shall be appointed by the United States district court having jurisdiction thereover, and the commissioner shall serve as directed by such court, as well as pursuant to, and within the limits of, the authority of said court.

The functions of such commissioner shall include the trial and sentencing of persons committing petty offenses, as defined in title 18, section 1, United States Code: *Provided*, That any person charged with a petty offense may elect to be tried in the district court of the United States, and the commissioner shall appraise the defendant of his right to make such election, but shall not proceed to try the case unless the defendant, after being so apprised, signs a written consent to be tried before the commissioner. The exercise of additional functions by the commissioner shall be consistent with and be carried out in accordance with the authority, laws, and regulations, of general application to United States commissioners. The provisions of title 18, section 3402, of the United States Code, and the rules of procedure and practice prescribed by the Supreme Court pursuant thereto, shall apply to all cases handled by such commissioner. The probation laws shall be applicable to persons tried by the commissioner and he shall have power to grant probation. The commissioner shall receive the fees, and none other, provided by law for like or similar services.

SEC. 10. There are hereby authorized to be appropriated not more than $1,200,000 for the acquisition of land and interests in land pursuant to section 2 of this Act.

The SPEAKER pro tempore (Mr. PRICE). Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we now come to H.R. 4010, a bill to provide an adequate basis for administration of the Lake Mead National Recreation Area in Arizona and Nevada, and for other purposes.

Lake Mead, as many of you know, is the lake created by Hoover Dam—originally known as Boulder Dam and still frequently referred to this way—on the Colorado River. Hoover Dam was the highest dam in the world when it was built and Lake Mead was and, I believe still is the largest manmade body of water in North America. These engineering marvels are a mecca for sightseers. The countryside around them and downstream from them is equally impressive in its own right. This is rugged, mountainous country with scenery to delight the eye at every turn. It is no wonder to me, for I know the area firsthand, that 2,700,000 people visited it in 1962 and that the 1963 figure was 3,350,000, or 24 percent higher.

The Lake Mead National Recreation Area has been administered for the last 28 years under an agreement between the Bureau of Reclamation and the National Park Service approved by the Secretary of the Interior. It is time that we put a statutory foundation under this area and recognized it in our enactments for what it is.

H.R. 4010 will do this. It will define the boundaries of the recreation area by reference to a map, fix its size at about 1,950,000 acres, provide for the acquisition of the private inholdings—about 33,000 acres—that are within its boundaries, allow the appointment of a U.S. Commissioner who will have jurisdiction over petty offenses committed in the area, set out the uses to which it may be put—that is, recreation, cabin sites, grazing, and leasing under the mineral leasing laws—provide protection to the owners of Indian lands within it, and set forth the extent to which hunting, fishing, and trapping shall be allowed.

Mr. Speaker, we all recognize the growing importance and popularity of public water-based recreation. Along our borders we are struggling to keep or recapture for public use a reasonable amount of the coastline for this purpose. Cape Cod, Point Reyes, Padre Island and, in the near future I hope, Fire Island are examples of what I mean. All of these have been expensive propositions. Inland costs are, generally speaking, just as expensive. Here at Lake Mead, however, the story is different. The area exists already and over 98 percent of it is owned by the United States. The bill, as reported, limits the amount authorized to be appropriated for the remainder to $1,200,000. Certainly we would be foolish if we did not take advantage of this opportunity and close the deal.

I recommend passage of H.R. 4010.

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

Mr. ASPINALL. I yield to the gentleman.

Mr. GROSS. I ask the gentleman if this is not largely an administrative measure, that is, setting up administrative procedures?

Mr. ASPINALL. To a great extent, that is correct. If the gentleman will permit me, he will remember in the Colorado River Storage Project Act, we gave the authority in almost the identical way that we are asking for it in this particular area. This makes this facility subject to better administration and it also defines it so that the administrators will know what they are doing and where they are doing it.

Mr. GROSS. Rights of the Indians in that area will be completely protected under this legislation?

Mr. ASPINALL. The gentleman is correct.

Mr. GROSS. I say to the gentleman that I consider this to be the "least worst" of the seven bills before the House this afternoon dealing with this general subject.

Mr. ASPINALL. Perhaps my genial colleague will admit it is the best.

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

Mr. ASPINALL. I am glad to yield to the gentleman from Arizona.

Mr. SENNER. I thank the distinguished gentleman from Colorado [Mr. ASPINALL], the chairman of the important Committee on Interior and Insular Affairs.

Mr. Speaker, Arizona—the Grand Canyon State—could well be called the Nation's recreation park and wonderland. The Third Congressional District, which I have the honor of representing, by itself is one of the largest reserves of national forest, national monuments, national parks, and national wildlife refuges. Each year my home State of Arizona hosts an increasing number of tourists enticed by these treasures protected by wise decisions of past Congresses. We in Arizona, and indeed the entire country, are proud of these excellent examples of federalism at work.

Today, Congress is called upon to decide on another one of these prudent measures designed to insure orderly management of one of our country's natural areas. The Lake Mead National Recreation Area is an outstanding scenic area of about 1,950,000 acres located in the northwest corner of Arizona and the southeast portion of Nevada. It is an area which has not only invaluable recreation uses but also includes significant sites of geological, biological, and archeological value. It is not a new recreation area. It was originally established in 1936. Since 1937 this huge region—highlighted by Hoover Dam's Lake Mead, and Davis Dam's Lake Mohave—has been administered by cooperative agreement between the Interior Department's National Park Service and the Bureau of Reclamation. My colleague, the gentleman from Nevada, Congressman BARING, and I introduced identical bills, H.R.

4010 and H.R. 4069, in an effort to guide the proper development and administration of these Federal lands and property through a more firm legislative basis than presently exists.

I am hopeful that this Congress will exercise its reasonable judgment by enacting this legislation to guarantee the efficient growth and protection of the wonderful legacy represented by the Lake Mead National Recreation Area.

Mr. Speaker, I would like to thank my colleague from Nevada for his fine cooperation and help extended in this matter; and also wish to thank our colleague and chairman of the subcommittee which worked on this legislation, the gentleman from New Mexico, TOM MORRIS; and my sincere thanks of course to the outstanding chairman of the Interior Committee, the gentleman from Coloradio, WAYNE ASPINALL.

Mr. ASPINALL. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico, the chairman of the subcommittee [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I ask unanimous consent that the gentleman from Nevada [Mr. BARING] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BARING. My bill, H.R. 4010 provides an adequate basis for administration of the Lake Mead National Recreation Area, in Arizona and Nevada, and is of great interest to the State of Nevada.

This bill (H.R. 4010) would provide recreational safeguards for lands which otherwise could be lost when existing protective laws are revoked through pending reclassification of the area.

The Boulder Canyon Act of December 21, 1928, did not provide for the development of the recreation resource, but in October of 1936 the Bureau of Reclamation and the National Park Service executed an agreement under which the Park Service would administer the recreation area, and since 1937 the recreation features and facilities of the area have been administered by the National Park Service.

The Bureau of Reclamation has now expressed a desire that the reclamation withdrawals be revoked and the lands be classified as other than reclamation lands. Such a revocation could subject the lands to location, entry, and patent under the present public land laws, including mining and mineral leasing laws, leaving the land without an adequate base for administration as national recreation area.

The bill, H.R. 4010, would recognize the recreation and scenic values after which revocation of the reclamation withdrawals could proceed. Over and above this I feel that the time is past due to establish this recreation area, and its boundaries, by statute, and provide for acquisition of inholdings, and authorize formal agreement with the Indians whose lands are involved, for the development and administration of those lands.

A portion of the Hualapai Indian Reservation is within the boundaries but the tribe has indicated its willingness to be included and to participate and benefit from the creation of the Lake Mead Recreation Area.

The recreation area outlined in the bill encompasses the shoreline of Lake Mead and Lake Mojave, reservoirs created by construction of Hoover and Davis Dams on the Colorado River between my own State of Nevada and the State of Arizona.

In addition to serving as water storage basin of immense reclamation value to the Southwest, Lake Mead and Lake Mojave become recreation areas of ever-increasing popularity to the general public. The recreation area blends an awesome appeal of mountain and desert, river and lake. When this is combined with pleasant year-round weather, there is an outstanding recreational attraction for anyone, whether he is interested in sightseeing, hiking, boating, swimming, fishing, camping, or picnicking.

In this desert land of "extremes" where rainfall is less than 6 inches, plant and animal life has become quite specialized. The bird enthusiast can watch the majestic golden eagle in its native habitat along with 250 other species including waterfowl and wading birds.

When the Park Service took over the area it was used by some 552,000 visitors annually. This has grown to an astounding figure of 5,792,530—including visitors to and across Hoover and Davis Dams—in 1962, and makes the Lake Mead National Recreation Area the second most attended area administered by the Park Service, although some of these visitors did not come specifically for recreation purposes they could not help but be impressed by the lakes, dams, canyons and surrounding pristine area. Coupled with the large attendance it is worth noting that the Census Bureau now shows that Nevada's population has increased 29 percent in 3 years, which compares with an increase of only 5.1 percent for the entire Nation—the increase in Nevada's population is concentrated in the southern part of the State.

The area contemplated for establishment as the Lake Mead National Recreation Area, H.R. 4010, includes many significant features, in addition to Lakes Mead and Mojave, such as numerous sites of teleological, biological, and archeological interest. Among these are nearly 100 miles of the Grand Canyon of the Colorado River, and the spectacularly terraced Shivwitts Plateau and the Grand Wash Cliffs which separate the plateau country of northern Arizona from the deserts of Nevada and Arizona.

Appropriate assurances are included in the bill that the purposes of the water-control project would not be adversely affected and that enactment of the bill would not affect the existing jurisdiction of the Hualapai Indian Tribe or alter the status of any of its members. In this connection, the bill makes it clear that inclusion of Indian lands would be dependent upon approval by the Hualapai Tribal Council.

H.R. 4010 would permit the continuation of mineral leasing, grazing, and vacation cabin sites, and further, one section of the legislation provides for hunting, fishing, and trapping within the recreation area in accordance with State law but permits the Secretary of Interior after consultation with the respective State fish and game commission to designate "no hunting" areas where and when public safety requires.

Enactment of this legislation would facilitate administration and use of the Lake Mead Recreational Area and provide a more permanent basis for preservation and protection of its significant scientific and recreational values, and I urge that this legislation be passed by the House.

The SPEAKER. The question is on the motion of the gentleman from Colorado that the House suspend the rules and pass the bill H.R. 4010.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

LAKE MEAD NATIONAL RECREATION AREA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 653) to provide an adequate basis for administration of the Lake Mead National Recreation Area, Ariz. and Nev., and for other purposes, a similar bill to the one which was passed prior to this bill.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

AMENDMENT OFFERED BY MR. ASPINALL

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Strike out all after the enacting clause of S. 653 and insert the provisions of H.R. 4010 as passed.

The amendment was agreed to.

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

A similar House bill was laid on the table.

ESTABLISHING THE FORT BOWIE NATIONAL HISTORIC SITE, ARIZ.

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 946) to authorize the establishment of the Fort Bowie National Historic Site in the State of Arizona, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to designate, for preservation as the Fort Bowie National Historic Site, the site and remaining historic structures of old Fort Bowie, situated in Cochise County, Arizona, together with such additional land, interests in land, and improvements thereon, as the Secretary in his discretion may deem necessary to accomplish the purposes of this Act: *Provided,* That the Secretary shall designate no more

than one thousand acres for inclusion in said site.

SEC. 2. Within the area designated pursuant to section 1 hereof, the Secretary of the Interior is authorized, under such terms, reservations, and conditions as he may deem satisfactory, to procure by purchase, donation, with donated funds, exchange, or otherwise, land and interests in land for the national historic site. When the historic remains of old Fort Bowie and all other privately owned lands within the aforesaid designated area have been acquired as provided in this Act, notice thereof and of the establishment of the Fort Bowie National Historic Site shall be published in the Federal Register. Thereupon all public lands within the designated area shall become a part of the Fort Bowie National Historic Site.

SEC. 3. The Fort Bowie National Historic Site, as constituted under this Act, shall be administered by the Secretary of the Interior as a part of the national park system, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended, the Historic Sites Act of August 21, 1935 (49 Stat. 666), and all laws and regulations of general application to historic areas within the national park system.

SEC. 4. There is hereby authorized to be appropriated a sum not to exceed $550,000 to carry out the purposes of this Act.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, H.R. 946 by our colleague, the gentleman from Arizona [Mr. UDALL], provides for setting aside 630 acres of public land and for the acquisition of about 270 acres of private land in order to preserve the site and remains of historic Fort Bowie at Apache Pass. The land that is in private ownership is valued at approximately $75 an acre at current prices, so the entire land acquisition cost will be $20,000. Construction work and the stabilization of the remains of Fort Bowie are estimated to cost $515,000. The bill limits the total amount authorized to be appropriated for these purposes to $550,000.

Fort Bowie is one of a number of sites on the Indian frontier that have been studied by the Advisory Board of National Parks, Historic Sites, Buildings, and Monuments. Its inclusion in the national park system has been recommended by the Board.

The first Fort Bowie was built early in the Civil War by California volunteers in the Union Army on their way from Tucson, which they had captured from the Confederates, to New Mexico. When in 1862 they reached the site now under consideration they were attacked by Apaches. The fort was built to protect the troops against the hazards of Apache Pass and from 1862 to 1886, when the Apaches were finally overcome, this site was a center of military activity in the southwestern part of the United States.

Even before Fort Bowie was established, the site was an important point on the route of the Butterfield Trail. This trail was established just a few years after the Gadsden Purchase. Over it operated the first mail route between St. Louis and Memphis in the East and San Francisco in the West. Apache Pass was recognized at that time as the most dangerous point on the whole route.

Mr. Speaker, those of us who have some sense of history, some appreciation for the way in which our country was made and settled, have an obligation to the people to preserve at least samples of what the country was like a few generations ago. Fort Bowie is a good example of what I mean. I can, therefore, recommend unreservedly to the House that H.R. 946 be enacted.

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

Mr. ASPINALL. I will be glad to yield to my friend from Iowa.

Mr. GROSS. Will the gentleman tell me what fort it was in Arizona the present Secretary of the Interior tried to get set up as a national historic site and failed a few years ago? I do not remember the name of it.

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

Mr. ASPINALL. I yield to my friend and colleague from Arizona.

Mr. UDALL. If the gentleman will yield, it was not a fort but the Hubbell Trading Post on the Navajo Indian Reservation, and the gentleman from Iowa played an unfortunate part in the demise of that bill, I regret to say.

Mr. GROSS. In behalf of the taxpayers of the United States, I would say the gentleman from Iowa played a fortunate part in sending that bill to the cleaners.

But let me ask the gentleman this question: Is there any reason why the State of Arizona, coming to the forefront as fast as it is, cannot take care of old Fort Bowie?

Mr. ASPINALL. I will answer my colleague in this way: This installation and this facility fits in ideally to the other forts of like value and characteristics and should be a part of the national parks operation.

Mr. GROSS. I think about the best and the most that can be said for this bill is that it preserves something of the old frontier. We have had so cussed much of the New Frontier that perhaps this can be justified up to a point in that it preserves something of the days when Americans were not wallowing in debt and trying to run the world.

Mr. ASPINALL. May I reply to my good friend by saying I know the gentleman from Iowa likes a discussion at times.

The SPEAKER. The question is on the motion of the gentleman from Colorado that the House suspend the rules and pass the bill H.R. 946.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. UDALL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. UDALL. Mr. Speaker, this bill seeks to preserve and display to the public an area which is probably unmatched for telling the story of the early West. The history of Fort Bowie and nearby Apache Pass reads like a Hollywood western spectacular. All the elements which have been combined so successfully in fiction were part of the real history of the area: wagon trains of emigrants headed for California; the overland stage carrying mail and passengers; the search for the best railroad route; the Civil War in the Southwest; hot sun, dust and thirst, and, most dramatically, savage fighting between fierce Apaches and equally courageous soldiers and pioneers. Names familiar not only to Americans but to people in other lands are part of the real story too: Cochise, Geronimo, General Crook, Tom Jeffords, and others.

The Advisory Board on National Parks, Historic Sites, Buildings, and Monuments believes that Fort Bowie and Apache Pass have exceptional value in illustrating American history. So do the Department of Interior, the people of Arizona generally and those who live nearest the site.

Apache Pass, which would be included in the boundaries, was known to the Spanish at least as early as 1780. They referred to it as Puerto de Duda—Pass of Doubt. This was perhaps a prophetic name because in the years to come, one traveling through the pass had grave doubts whether he would complete his journey.

The presence of a spring as much as anything else dictated the route through Apache Pass and the subsequent establishment there of Fort Bowie. And I might add that even to this day the water that made the pass important to travelers is vital and will continue to be used by man and animals.

Four years after the Gadsden Purchase was completed in 1854, the Butterfield Overland Mail Co., began operations and established a stage station in Apache Pass. This was the first mail service between the Mississippi River and California. For 2½ years the Butterfield stages operated through the pass, regarded as the most dangerous part of the company's 2,650 miles of mail and passenger routes. The Civil War and the Apaches forced the company to move its route northward.

The area proposed for inclusion in the Fort Bowie National Historic Site shows the Old Butterfield Trail whose ruts and bridge abutments can still be observed.

The Butterfield Co. had established friendly relations with Cochise, the leader of the Chiricahua Apaches. But in 1861, a green young officer, Lieutenant Bascom, enraged the Apaches by trying to arrest Cochise for a crime in which the chief was innocent.

Cochise escaped by ripping a tent wall. He came back and fought the soldiers. The next night, the Apaches attacked a wagon train in Apache Pass, tied eight Mexicans to wheels and burned them. Thus was begun the long and fearful

Apache wars. The scene of the wagon-train massacre is included in the proposed historic site.

The same year the Civil War began. In 1862 the Confederates took Tucson, 120 miles west of the site which was to become Fort Bowie.

California volunteers, fighting on the Union side, retook Tucson and advanced toward New Mexico. When they got to Apache Pass, they were met by 400 Apaches under Cochise and Mangas Coloradas. The bloody Battle of Apache Pass took place. The Californians broke through only by mounting cannon on wagons. The scene of this historic battle is also included within the proposed site.

The Battle of Apache Pass led to establishment of Fort Bowie, first in one location, then at another slightly to the east. Fort Bowie, established and manned in 1862, remained in the vanguard of the fierce fighting with the Apaches, led first by Cochise and later after his death by Geronimo and Natchez. Peace finally came in 1886 when Geronimo and Natchez surrendered and were sent to Florida. Fort Bowie was abandoned in the 1890's and sold at public auction in 1911.

H.R. 946 would authorize the Secretary of Interior to establish this national historic site within a 1,000-acre limitation. The Department presently proposes inclusion of only 900 acres but favors retention of the 1,000-acre limitation to take care of future expansion and/or boundary changes. Most of the history is excellently documented—another strong reason for establishment of this historic site—but some remains have not yet been positively identified. Therefore, a certain amount of boundary flexibility is desirable.

Of these 900 acres, 630 are already public lands under control of the Bureau of Land Management. The other 270 acres which include the actual fort sites, the scene of the Battle of Apache Pass and the old cemetery, are privately owned by two parties. Establishment of Fort Bowie as a historic site would be contingent upon acquisition of these 270 private acres. It is contemplated that any expansion of the site from 900 upward to 1,000 acres would be done through inclusion of public, not additional private lands.

Cost of acquiring the 270 private acres is estimated at $20,500, based on a price of about $75 per acre. The roads, facilities for visitors and permanent staff, and stabilization of the ruins would cost an estimated $515,000. Only very limited restoration work is envisioned. The idea is to preserve Fort Bowie as it is, not to rebuild it.

Fort Bowie is at an altitude of 4,700 feet. Winters are mild and summers moderate. The site affords a sweeping view to the San Simon Valley to the east and toward rugged desert mountains all around. It is only 13 miles from State Highway 86, soon destined to be part of the Nation's Interstate Highway System. With its climate, accessibility and almost incredible history, Fort Bowie would become one of Arizona's and the Nation's top attractions.

I respectfully urge the House to approve H.R. 946 and make Fort Bowie the Nation's 17th national historic site. Without congressional action, we and our children will lose forever this now quiet scene and its priceless relics of turbulent days so famous and important in our country's history.

On August 1 the Senate passed a similar bill, S. 91, by Senator GOLDWATER. I would have suggested that the House act on the Senate bill, but a Senate amendment limited cost of acquiring private land to $15,000. I am advised that this amount was based on an old report and is agreed by the Senate sponsors to be in error. The correct figure for 1964 values should be $20,500. I trust that the Senate will accept the House bill. As its sponsor it is my clear understanding—and I believe the understanding of the House committee—that the Interior Department should and will spend no more than $20,500 for acquisition costs.

The purpose of the Senate amendment is commendable and if the lateness of the session and the parliamentary situation would permit, I would be willing to pass the Senate bill changing the figure in the Senate amendment to $20,500.

THE JOHN MUIR NATIONAL HISTORIC SITE, CALIF.

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill—H.R. 439 to provide for the establishment of the John Muir National Monument.

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 Secretary of the Interior may acquire on behalf of the United States the land, improvements thereon, and interests therein situated in the county of Contra Costa, State of California, and described as follows:

Beginning at a point marked by a post that bears south 24 degrees 30 minutes east 257.40 feet from the northwest corner of lot E of division numbered 1 of the Rancho El Pinole; thence north 70 degrees 00 minutes east to a point in the westerly right-of-way line of Alhambra Avenue;

thence southward along the said westerly right-of-way line of Alhambra Avenue to a point on the right-of-way line of the freeway survey delineated in the California State Division of Highways, district IV, appraisal map numbered A–655.34, dated November 21, 1962, said point also being in line with station (28+81') on the "M" line of said freeway survey;

thence following the right-of-way line of said survey south 71 degrees 09 minutes 19 seconds west 2.0 feet to a point;

thence along the said right-of-way line of the freeway survey the following two courses; south 18 degrees 50 minutes 41 seconds east 59.54 feet to a point, on a curve to the right, radius 1,958.0 feet, delta angle 2 degrees 1 minute 6 seconds, a distance of 68.97 feet to a point;

thence south 16 degrees 49 minutes 35 seconds east about 112 feet to a point;

thence south 31 degrees 55 minutes 10 seconds west about 160 feet to a point;

thence south 80 degrees 08 minutes 57 seconds west 741.66 feet to a point;

thence north 77 degrees 12 minutes 60 seconds west 132.68 feet to a point;

thence north 65 degrees 53 minutes 54 seconds west 78.75 feet to a point in the center line of the Franklin Canyon Road;

thence northward along the said center line of the Franklin Canyon Road to a point (which is south 9 degrees 24 minutes east along the center line of Franklin Canyon Road 281.43 feet and thence south 1 degree 50 minutes west 304.98 feet from the point common to the center line of the said Franklin Canyon Road and a north line of that certain 44.87-acre tract of land described in the deed from Daniel L. Parsowith to Pearl Parsowith, dated November 18, 1931, and recorded November 18, 1931, in Volume 290 of official records, at page 359);

thence north 88 degrees 28 minutes 15 seconds east 418.01 feet (north 87 degrees 45 minutes 30 seconds east 421.70 feet-deed), as surveyed by the California State Division of Highways, district IV, appraisal map numbered A–655.34, dated November 21, 1962, to a point in the center of Franklin Creek;

thence north 23 degrees 25 minutes 01 seconds east 121.15 feet (north 23 degrees 30 minutes east 120.56 feet-deed) as surveyed by said California State Division of Highways along Franklin Creek to a point;

thence north 17 degrees 30 minutes east 132 feet continuing along Franklin Creek to a point;

thence leaving Franklin Creek north 70 degrees 0 minutes east 320.10 feet, more or less, to the point of beginning; containing approximately 9.2 acres.

SEC. 2. The property acquired under this Act shall be designated as the John Muir National Historic Site and shall be set aside as a public national memorial to John Muir in recognition of his efforts as a conservationist and a crusader for national parks and reservations. The Secretary of the Interior shall administer, protect, and develop such national historic site in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes," approved August 21, 1935 (49 Stat. 666), as amended.

SEC. 3. There is hereby authorized to be appropriated not more than $300,000 for land acquisition and restoration of the buildings thereon.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, one of the great names in the American conservation movement during the latter part of the last century and the beginning of this one is that of John Muir. His name ranks in many respects with the names of Gifford Pinchot, John Burroughs, Asa Gray, and perhaps even Theodore Roosevelt with whom he was well acquainted.

The bill that is now before us, H.R. 439, by our colleague the gentleman from California [Mr. BALDWIN] proposes that we help to perpetuate his name by acquiring his home in Contra Costa County, Calif., and setting it aside as a national historic site.

John Muir was born in Scotland in 1838. He came to this country as a boy, grew up in Wisconsin, and then moved to California. To the scientific world he became known as a student of glaciers and as a botanist. To the public at large he became known as an exponent of the importance of saving our forests and scenic wonders. He was instrumental in helping to have the Yosemite Valley set aside as Yosemite National Park, in procuring the creation of Sequoia National Park, and in the passage of the Forest Reserve Act of 1891.

The site to be acquired under H.R. 439, as amended, contains a little over 9 acres. On it is the house built by John Muir's father-in-law, Dr. John T. Strentzel, in 1882. This was Muir's home from 1890, shortly after Dr. Strentzel's death, until 1914 when John Muir himself died. In addition there is what is known as the Martinez adobe house which was built during the gold rush days. Because of the friendliness of the present owners of the property to the proposition that it be acquired for a national historic site, the land and buildings can be had for, it is believed, considerably less than its market value. A committee amendment, in any event, limits the amount authorized to be appropriated for this purpose and for restoration work to $300,000.

Mr. Speaker, I recommend that H.R. 439, as amended, be enacted.

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

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

Mr. GROSS. Do I understand that an amendment is pending that would increase the restoration and improvements cost from $128,000 as set forth in the report to $300,000?

Mr. ASPINALL. This will be the total cost, restoration and acquisition.

Mr. GROSS. Restoration and acquisition?

Mr. ASPINALL. The gentleman is correct.

Mr. GROSS. May I ask the gentleman who is presently operating this property?

Mr. ASPINALL. I yield to my friend from California [Mr. BALDWIN], for an answer to that question.

Mr. BALDWIN. Mr. Speaker, the present property is now privately owned by two different families who acquired it at a time when it was going to be taken by a subdivider, in order to hold it and preserve it until such time as it could be had as a national historic site.

The SPEAKER. The time of the gentleman from Colorado [Mr. ASPINALL], has expired.

Mr. SAYLOR. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I yield to the gentleman from California [Mr. BALDWIN] to answer any questions, if there are any.

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

Mr. BALDWIN. I yield to the gentleman.

Mr. GROSS. I would like to know why the State of California, being as progressive as we are told it is, and as wealthy as we are told it is, cannot take care of this proposition. Why should it be saddled on the backs of all the taxpayers?

Mr. BALDWIN. Actually the contributions of John Muir were primarily in the national field. He first proposed the establishment of a national commission to study the establishment of a forest conservation system nationally. This proposal eventually resulted in a Commission which in turn recommended that a national forest system be established. Also he was one of those who worked actively for the establishment of a national park system. So his contributions were primarily on the national scene.

Mr. GROSS. That may be, but is not the State of California interested in making a contribution to the national scene in this respect? Is not this something that the State of California would enjoy doing rather than hanging this on all of the taxpayers?

Mr. BALDWIN. This was recommended by the National Park Service, the Department of Interior, and approved by the Bureau of the Budget, because they thought it was appropriate. These agencies felt that John Muir's contribution toward the establishment of a national forest system and a national park system should be recognized nationally.

Mr. GROSS. There does not seem to be very much trouble in getting the Bureau of the Budget to approve almost anything these days.

Mr. Speaker, I am constrained to believe that they were not very much concerned with the debt and deficit of this country and the way money is being expended.

I would think a lot of this stuff which we have had here today could well have been postponed until the time when the Treasury of this country or our spending could be brought into balance with income, and we could see some daylight.

This sort of business of establishing all of these historical sites at this time I do not think comes at the proper time at all.

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

Mr. BALDWIN. I yield to the gentleman from Montana.

Mr. BATTIN. Mr. Speaker, I would like to compliment the gentleman from California [Mr. BALDWIN] for his interest in this as a national historical site which, of course, is in keeping with his interest in the field of conservation and the preservation of areas, that for the sake of time and history would have been lost.

Mr. Speaker, although I could agree with the gentleman from Iowa [Mr. GROSS] that sometimes there is the proper time, I think now is the time to act and to preserve this historic site.

Mr. Speaker, the gentleman from California [Mr. BALDWIN] and the committee are to be commended for bringing the bill out at this time.

Mr. BALDWIN. I thank the gentleman.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. I notice there is $169,000 for acquisition of property.

How much did the present owner of the property pay for the same?

Mr. BALDWIN. The Park Service recommended acquiring some additional property which is zoned commercially. Therefore, this additional property which is zoned commercially is in addition to the property that was acquired by people who desired to hold it until it could be designated as a national historical site.

The property that would be acquired from those who wanted to hold it until it could be designated as a national historical site is now under option by two local groups, the Contra Costa County Historical Society and the John Muir Memorial Association, at a price which is at least one-third under the current market value in the area, and I am very familiar with the price of property in that area.

The SPEAKER. The question is on the motion of the gentleman from Colorado [Mr. ASPINALL] that the House suspend the rules and pass the bill H.R. 439, as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill as amended was passed.

A motion to reconsider was laid on the table.

ESTABLISHING FORT LARNED AS A NATIONAL HISTORIC SITE

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3071) to provide for the establishment of Fort Larned as a national historic site, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to commemorate the significant role played by Fort Larned in the opening of the West, the Secretary of Interior may acquire on behalf of the United States by gift, purchase, or other means not more than seven hundred and fifty acres of land, or interests in land, which comprise the site and remaining historic structures of Fort Larned, located in Pawnee County, Kansas, or which he deems necessary to accomplish the purposes of this Act, including nearby remains of the Santa Fe Trail. The land acquired by the Secretary shall be known as the Fort Larned National Historic Site, and shall be administered in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented: *Provided,* That establishment of such national historic site shall not become effective until the historic remains of old Fort Larned and adjoining historically significant lands have been acquired.

SEC. 2. Notice of the boundaries of the site shall be published in the Federal Register.

SEC. 3. There are hereby authorized to be appropriated such sums, but not more than $1,273,000 for acquisition and development costs, as are necessary to carry out the purposes of this Act.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, the last of the seven national park system bills on the calendar this afternoon is H.R. 3071 by the gentleman from Kansas [Mr. DOLE]. Mr. DOLE's bill is to provide for the establishment of Fort Larned as a national historic site.

In discussing this bill, we must first think of the importance of Fort Larned by itself. It is located in Pawnee County, Kans., and was created in 1859 as protection against the marauding Indians of the Central Great Plains. It served this purpose for 20 years. It served also as an important Indian trading post and as agency headquarters for the Indian Office.

Next, we have to think of Fort Larned as, in the words of the Interior Department's report, "the northern anchor of a series of forts that defended the southwestern frontier during the 1860's and 1870's." Its preservation will thus become of significance in keeping alive for us something of the spirit of this part of the country at that time.

Third, we must not overlook Fort Larned's association with the Santa Fe trail. It was related to the eastern portion of the trail in the same way that Bent's Old Fort in Colorado was related to the mountain portion and Fort Union in Mexico to the southwestern portion. Bent's Old Fort and Fort Union have been made units in the national park system. Fort Larned will thus find itself in good company.

Finally, it is well to remember that some of the great names of our military history in the 19th century are associated with Fort Larned—Philip K. Sheridan, George Custer, Winfield Hancock, and others. Preservation of the fort will serve to remind us of men like these from time to time.

Fortunately for all of us, a good many of Fort Larned's buildings are still standing and are in a reasonable state of repair. These include the officers' quarters, the enlisted men's barracks, the bakery, the commissary, the quartermaster's building, and the blacksmith shop, all of these being arranged around the quadrangle that served as the fort's parade ground.

H.R. 3071, as amended by the committee, proposes the acquisition of not more than 750 acres of land which will include not only the fort proper but enough space to give it its proper setting and, in addition, a 60-acre tract in which there are still visible remnants of the Santa Fe trail. The acquisition costs of the land are estimated at about $450,000 and the cost of restoring and developing the site at $820,000. The bill limits the amount authorized to be appropriated for these purposes to $1,273,000.

Mr. Speaker, I recommend passage of H.R. 3071.

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

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

Mr. GROSS. Is this an acquisition of 750 acres plus 60 acres, or is it an acquisition of 750 acres?

Mr. ASPINALL. It is my understanding that the 750 includes the 60 acres.

Mr. GROSS. That is at a cost of $454,000, nearly a half-million dollars?

Mr. ASPINALL. That is correct. If the gentleman wishes I will yield to the gentleman from Kansas [Mr. DOLE], to explain the values of the land in that area. The committee was satisfied.

Mr. GROSS. I desire to ask another question or two. Is the State of Kansas unable to take care of a historic site that is peculiarly Kansas? I do not understand why we have to undertake all of this on the part of the Federal Government.

Mr. ASPINALL. I understand what is bothering the gentleman, but in my opinion this is just as much a part of the Nation as any of the forts that we have in our present system. It is important to the western part of the country, like Yorktown is to the eastern area. This is of national significance and should be treated that way.

Mr. GROSS. This will cost $75,000 annually and for all time, to maintain, police, and so forth.

Mr. ASPINALL. Yes; and if the gentleman from Colorado had his way there would be fees charged to take care of the expenses of administration.

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

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

There was no objection.

Mr. DOLE. Mr. Speaker, I take this time to urge passage of H.R. 3071 which would establish Fort Larned, in Pawnee County, Kans., as a national historic site. As has been pointed out by the chairman of the Committee on Interior and Insular Affairs, my bill would authorize the acquisition of approximately 750 acres of land, the buildings and improvements presently in existence at Fort Larned, and also an area of about 60 acres near Fort Larned on which remnants of the Santa Fe Trail are preserved. A committee amendment would limit the amount authorized to be appropriated for land acquisition and development to $1,273,000. Fort Larned was an important Federal military installation from 1859 until 1878. If we can spend billions of dollars in expanding new frontiers, there is every justification for an expenditure of $1 million plus to preserve the old frontier.

Let me state there has long been widespread local and State interest in this legislation, which led to the introduction of a bill in Congress in 1955 by Senator FRANK CARLSON requesting an investigation and report on making Fort Larned a national monument.

Fort Larned has been described as "the most significant military post on the eastern portion of the Santa Fe Trail." It was established in 1859 and abandoned as a military post in 1878. Nine of its stone buildings, erected beginning in 1864, are still in existence and are in a good state of repair. These buildings include officers' quarters, barracks, the quartermaster office and storehouse, workshops, and the bakery.

For more than 10 years after its establishment, Fort Larned played an important role in the various skirmishes and wars with the Indians that accompanied the opening of the West. It was, among other things, headquarters for expeditions led by Gen. Winfield S. Hancock in 1867 and by Gen. Philip K. Sheridan and Lt. Col. George A. Custer in 1868–69. In addition, Fort Larned served as agency headquarters for the Indian Bureau in its dealings with the Kiowas, Comanches, Cheyennes, Arapahoes, and Kiowa Apaches; was an important Indian trading post; and was used to protect the workers who constructed the Santa Fe Railroad.

Fort Larned has been recommended by the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments as having exceptional value in illustrating the history of the United States. It is, in this respect, in the same class as Bent's Old Fort, Colo., and Fort Union, N. Mex., which also played prominent roles in the history of the Santa Fe Trail. Both of these are administered as units of the national park system.

In conclusion, I commend the committee for its favorable action and recommend to the House that H.R. 3071 be enacted as amended.

Mr. SAYLOR. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I take this time to commend the chairman of the House Subcommittee on National Parks and Monuments, the gentleman from New Mexico [Mr. MORRIS]. Many of the bills that have been introduced from time to time have not met the standards that the National Park Service has established as necessary to become a part of our national park system.

The gentleman from New Mexico is a very dedicated and a very conscientious Member of the House of Representatives and as chairman of the Subcommittee on National Parks and Monuments. The committee has made trips to the areas that are proposed to be included in these bills that have been presented. I feel that the Members of the House are indeed fortunate in having as chairman of the Subcommittee on National Parks and Monuments the gentleman from New Mexico [Mr. MORRIS].

We are indeed fortunate also in having as chairman of the Committee on Interior and Insular Affairs the gentleman from Colorado [Mr. ASPINALL].

The Committee on Interior and Insular Affairs of the House has quite broad jurisdiction. It covers many facets, not only the national parks and monuments. It has jurisdiction over the Nation's forests created out of the public domain, the public lands, the Bureau of Indian Affairs, and the Bureau of Reclamation,

as well as jurisdiction over all our offshore possessions and territories. This requires a great deal of ability on behalf of the chairman, and the members who work on those committees.

I take this opportunity to commend the chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL], for having brought these bills to the floor today.

I also take this opportunity to commend the Speaker of the House of Representatives in arranging the suspensions that have been arranged for our committee today.

I call particular attention to the fact the Speaker has not been partisan in his approach to these bills. He has followed the chairman of the Subcommittee on National Parks and Monuments, and also the chairman of the full Committee on Interior and Insular Affairs, and has arranged bills of Members on both sides of the aisle and has been considerate of the Members here today. This is another example of the eminent fairness and impartiality of our Speaker, the gentleman from Massachusetts, the Honorable JOHN W. MCCORMACK.

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

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

Mr. GROSS. I thought there was quite a campaign going on to get the Federal Government out of the ownership of land, but today hundreds of acres are being added to the Federal domain. We are not getting rid of land, we are acquiring more in one way or another. How does the gentleman account for this?

Mr. SAYLOR. It is very simple. The question is whether or not we think enough of our national heritage to maintain portions of it for posterity. That is one of the problems that the House Committee on Interior and Insular Affairs has to face. This country did not grow all at once. It grew gradually. Those people who made great sacrifices in the past to see to it that we have this great country of ours today are entitled to be remembered by those who come after us. The bills we have considered today, while they might acquire a little land, are acquiring it so that those of present and future generations will be able to understand and appreciate the hardships and problems of the pioneers that made this country the great country that it is.

As far as the great public domain is concerned, we are making arrangements to get rid of some of the property we own. If the body on the other side of the Capitol will see to it that the Commission which this body asked be established to study public land laws is effected, I am sure we will come forward with positive information which will enable us to get rid of large blocks of public land.

Mr. GROSS. Does the gentleman suppose we could set aside a park to put up a monument to the person if there ever is one, who is responsible for balancing the budget in this country and reestablishing the sound and responsible fiscal policy our forefathers thought we ought to have?

Mr. SAYLOR. It seems to me we have such a monument. It seems to me we have a monument in the city of Washington to a President who some years ago balanced the budget but Congress would not go along with his recommendation in turning back to the people some of the money that had been accumulated in the Federal Treasury.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 3071, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 3 legislative days to extend their remarks at appropriate places on the several pieces of legislation just considered.

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

There was no objection.

SAVERY-POT HOOK, BOSTWICK PARK, AND FRUITLAND MESA RECLAMATION PROJECTS

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3672) to provide for the construction, operation, and maintenance of the Savery-Pot Hook, Bostwick Park, and Fruitland Mesa participating reclamation projects under the Colorado River Storage Project Act, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to provide for the construction, operation, and maintenance of the Savery-Pot Hook Federal reclamation project, Colorado-Wyoming, the Bostwick Park Federal reclamation project, Colorado, and the Fruitland Mesa Federal reclamation project, Colorado, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), section 1 of said Act is amended by inserting the words "Savery-Pot Hook, Bostwick Park, Fruitland Mesa," between the words "Seedskadee" and "Silt"; section 2 of said Act is amended by deleting the words "Savery-Pot Hook,", "Bostwick Park,", and "Fruitland Mesa,". The amount which section 12 of said Act authorizes to be appropriated is hereby increased by the sum of $47,000,000 plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved. This additional sum shall be available solely for the construction of the projects herein authorized.

SEC. 2. The Savery-Pot Hook Federal reclamation project shall be constructed and operated substantially in accordance with the engineering plans set out in the report of the Secretary of the Interior transmitted to the Congress on June 25, 1962, and printed as House Document 461, Eighty-seventh Congress. The Bostwick Park Federal reclamation project shall be constructed and operated substantially in accordance with the engineering plans set out in the report of the Secretary of the Interior submitted to the Congress on July 20, 1962, and printed as House Document 487, Eighty-seventh Congress. The Fruitland Mesa Federal reclamation project shall be constructed and operated substantially in accordance with the engineering plans set out in the report of the Secretary of the Interior transmitted to Congress on April 19, 1963, and printed as House Document 107, Eighty-eighth Congress. Acreage equivalents expressed in those reports may be modified at the discretion of the Secretary of the Interior.

SEC. 3. The the purpose of assisting in the permanent settlement of farm families, protecting project land, facilitating project development, and other beneficial purposes, the provisions of the Act of August 28, 1958 (72 Stat. 963), relating to the Seedskadee project in Wyoming, are hereby made equally applicable to the Savery-Pot Hook, Bostwick Park, and Fruitland Mesa projects and all references therein to "Wyoming", the State of Wyoming", "the laws of the State of Wyoming", or "said State" shall also refer to the State of Colorado to the extent that lands of the said projects are situated therein, except that on the said projects the limitation on lands held in single ownership which may be eligible to receive project water from, through, or by means of project works shall be one hundred and sixty acres of class 1 land as defined for the Bostwick Park project or the equivalent thereof in other land classes as determined by the Secretary of the Interior.

SEC. 4. (a) Costs of the Bostwick Park, Fruitland Mesa, and Savery-Pot Hook projects, incurred pursuant to section 8 of the Act of April 11, 1956 (70 Stat. 105), including an appropriate share of the aggregate of joint costs allocated to recreation and fish and wildlife enhancement shall be nonreimbursable: *Provided,* That in the case of the Bostwick Park project joint costs allocated to recreation and fish and wildlife enhancement shall be in the aggregate be nonreimbursable only to the extent they do not exceed 25 per centum of the cost of joint use land and facilities of that project (joint use land and facilities being defined as land or facilities serving two or more project purposes one of which is recreation or fish and wildlife enhancement) and: *Provided further,* That provision shall be made for the reimbursement, for the contribution by non-Federal interests, or for the reallocation of joint costs of said project allocated to recreation and fish and wildlife enhancement in excess of the foregoing limit under one or a combination of the following methods as may be determined appropriate by the Secretary: (1) provision by non-Federal interests of lands or interests therein, or facilities required for the project; (2) payment, or repayment, with interest at a rate determined in accordance with section 5(f) of the Act of April 11, 1956, as amended, pursuant to agreement with one or more non-Federal public bodies; (3) reallocation to other project functions in the same proportion as joint costs are allocated among such functions.

(b) In connection with the Bostwick Park and Fruitland Mesa projects the Secretary of the Interior shall transfer lands acquired for the projects within exterior national forest boundaries for administration as national forest, and jurisdiction of national forests lands within the projects shall remain with the Secretary of Agriculture for recreation and other national forest system purposes: *Provided,* That the lands and waters within the flow lines of any reservoir or otherwise needed or used for the operation of the projects for other purposes shall continue to be administered by the Secretary of the In-

terior to the extent he determines to be necessary for such operation.

(c) Costs of means and measures to prevent loss of and damage to fish and wildlife resources shall be considered as project costs and allocated as may be appropriate among other project functions.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, H.R. 3672 provides authority for construction of the Savery-Pot Hook, Bostwick Park, and Fruitland Mesa projects as participating units in the comprehensive development of the water resources of the Upper Colorado River Basin. The comprehensive program for developing the water resources for the Upper Colorado River Basin was authorized in 1956. The storage units are complete or are nearing completion. The Flaming Gorge unit is presently producing power and power operations will start at Glen Canyon in August or September. Revenues will accrue to the basin fund as anticipated and the repayment of irrigation units as required by the Storage Project Act is assured.

The three participating projects in H.R. 3672 were envisioned in 1956 as a part of the comprehensive plan. They were named in the Colorado River Storage Project Act and a provision in that act required that the development of a detailed plan for each of them be given priority. In other words, Mr. Speaker, H.R. 3672 is not for the purpose of authorizing new projects that have no relation to a previously authorized program, but it is for the purpose of including three additional participating units which were envisioned in 1956 as a part of the overall program and for which provisions are included in the 1956 act covering such important aspects of these projects as water supply and repayment.

Each of these three projects conform to the conservative approach with respect to feasibility and repayment which is embodied in the 1956 basic act. The reimbursable costs of all three will be repaid within a 50-year period, exclusive of any authorized development period. All three projects are economically justified with benefits exceeding the costs in ratio of better than 2 to 1 for each project.

These three relatively small projects are primarily for irrigation with some additional benefits to fish and wildlife and to recreation. The three projects combined will provide water service to about 64,300 acres of which about 24,600 acres will receive a supplemental water supply and the remaining 39,700 acres will receive a full water supply. The combined cost of the three projects have been estimated at about $47 million, of which around 93 percent would be reimbursable.

The Savery-Pot Hook project is located in the drainage basin of the Little Snake River along the Colorado-Wyoming State line. It involves storage regulation through the construction of two new reservoirs for irrigation water service to 35,265 acres of land in Colorado and Wyoming. The construction cost of the Savery-Pot Hook project is estimated at $15,526,600 of which only $224,600 is allocated to recreation and fish and wildlife.

The Bostwick Park project is located in the Gunnison River Basin in west-central Colorado near the city of Montrose. The project plan involves the construction of a reservoir, laterals and drains for the distribution of irrigation water to about 5,608 acres of land. The construction cost of the Bostwick Park project is estimated at $4,010,000. Because Cimarron Creek, on which the dam is constructed, is one of the best fishing streams in the area and because storage in the reservoirs is included specifically for maintaining stream flows, $714,000 of the cost of the Bostwick Park project is allocated to fish and wildlife enhancement and recreation.

The Fruitland Mesa project is also located in the Gunnison River Basin in west-central Colorado near the town of Crawford. The project plan involves construction of a dam and reservoir and water conveyance and distribution works to furnish irrigation water to about 23,450 acres. Construction cost of the Fruitland Mesa project is estimated at $27,288,000. Of this amount, $983,000 is allocated to recreation and fish and wildlife enhancement.

The water consumptively used by these projects will be charged against the allotments of water to the States of Colorado and Wyoming in accordance with the provisions of the Upper Colorado River Basin Compact.

Because of the short growing season and the high elevation of the project areas, the committee determined that some adjustment was needed in the land limitation provisions of reclamation law in order to permit ownerships of sufficient size to support a farm family. Therefore, language has been placed in the bill which states the ownership limitation in terms of "the equivalent of 160 acres of class I land," thus giving the Secretary some flexibility in determining how much land is required to support a farm family. I want to make it clear that the family size farm principle of reclamation law is retained in this legislation.

This legislation includes language conforming it to the cost allocation, reimbursement, and cost-sharing policies which were adopted by the committee after extended hearings, and which are embodied in H.R. 9032, a bill previously reported by the committee. Under these policies, outdoor recreation and fish and wildlife are recognized as important project purposes, but a limitation is placed upon the amounts which can be allocated to them on a nonreimbursable basis. The application of the limitation on nonreimbursability requires the repayment of $207,000 of the Bostwick Park project cost allocated to recreation and fish and wildlife enhancement.

Mr. Speaker, although these projects are relatively small, they will contribute greatly to the economies of the three local areas. The project areas are sparsely populated and the land is devoted mainly to the production of feed for cattle and sheep. Irrigation is established in portions of the three areas, but due to lack of storage, water supplies are inadequate and severe water shortages are experienced almost every year. These projects would provide the storage regulation that is necessary to allow more crop diversification. They would create a more stable and balanced agricultural and livestock economy and encourage the establishment of related industries.

Mr. Speaker, the members of my committee who visited these three project areas last year and held hearings on the project proposals, are well aware of the need for their construction and what they will mean to the local areas. In addition to the field hearings, hearings were held here in Washington in March. All the testimony received by the committee was in full support of this legislation. I know of no opposition to the authorization of any of the projects.

Mr. Speaker, as indicated in the committee report, the Interior and Insular Affairs Committee concluded that each of these three participating projects are physically and economically feasible and that the reimbursable costs can be repaid in accordance with the conservative provisions of the Colorado River Storage Project Act of 1956. The committee concluded also that the projects were needed to maintain and strengthen the local economies and to encourage new industries.

Mr. Speaker, this is meritorious legislation and I urge its approval.

Mr. BURTON of Utah. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Speaker and Members of the House, I rise to point out some of the great discrepancies which exist in regard to this legislation. I do so for two specific reasons.

First. I believe the RECORD ought to be specifically clear as to exactly what is involved in this particular bill.

Second. I believe the Members of the House ought to know the extent to which this legislation is in direct conflict with three other matters which possibly will be considered by the House in the immediate future.

The chairman of the committee has properly identified what the legislation will do. Let me briefly review a couple of items.

First. The legislation calls for irrigation of and placing into increased production some 39,700 acres of land. This will be done at a cost of about $675 per acre.

Second. What products are to be produced on this land? Let me identify them for you, both out of the committee report and out of the hearings which have been printed relative thereto.

In the committee report you will note this language:

The project areas are sparsely populated and the lands are devoted mainly to the production of feed for cattle and sheep.

I call your attention to what Mr. Dominy has said about the project. He said, in response to a question:

It is practically all livestock economy. It is a feed base operation with livestock on the forest preserve and public domain and privately owned land is used as home base properties. It is alfalfa and feed grains, principally hay.

If we look at the situation which confronts this Nation at this very moment—and this has been referred to several times on the floor on this very day—we find that concern has been expressed relative to the supply of beef in this country and the extent to which legislation is now needed in order to curb the importation of beef and a further depressing of that market.

It is interesting to note that the Secretary of Agriculture says that the difficulty with respect to beef prices is not because of imports but because of increased domestic production.

I call to your attention the fact that we are about to spend $675 per acre in order to further encourage the production of beef. It seems that again we are about to accept such a procedure.

I also call to your attention the fact that the experience with the feed grains program in the past year has been that the principal States involved diverted last year, and have signed up to divert this year, 742,500 acres. They will divert these acres under the feed grains program at a cost in excess of $12 million. Now we are about to enact some legislation to promote the production of feed grains.

I call to your attention further the extent to which we have land in the soil bank, for which the taxpayer is paying the bill. In the identical States presently there are some 1,080,000 acres for which we are now paying a little more than $8 million per year so that the farmers will not cut hay on the land. Now we turn around with an expenditure such as this, a total of $47 million, with $43 million of it chargeable to irrigation, in order to increase the production of these products.

Further, it is interesting to note that the only part of this money that is chargeable to irrigation, about one-sixth of the cost, is to be paid by irrigators. They have already determined it is infeasible to that degree. The project cannot possibly pay for itself, and only one-sixth of the cost is to be paid in 50 years with interest-free money.

The SPEAKER. The time of the gentleman has expired.

Mr. BURTON of Utah. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. LANGEN. You know, if there were interest on this money, that interest would amount to, even at 3½ percent—and remember that we have to borrow the money and pay interest in order to carry out the project—it would amount to somewhere in the neighborhood of $23 per acre per year. Yes, you could save money by paying these people $20 an acre and not borrowing this money on which the taxpayers of this country are going to pay for the interest and the costs involved.

When we look at this is it any wonder that this Nation is confronted with a continuous decline in farm income, a big part of it brought about by the oversupply of beef in the last year? On projects of this kind that have been approved previously, do you know how much hay and feed grains they raised in the last year? Fifteen million tons of hay and fifty-three million bushels of feed grains on reclamation projects. Yes, the whole beef problem would not have existed without them. So, is it any wonder that the cost of our farm program is going up? It will continue to do so as long as we insist on approving these kinds of projects.

Probably more important is this: How in the world do we ever expect to arrive at the point of coming up with a balanced budget if we are continuously going to insist on expenditures that further aggravate the problems and call for additional expenditures? They talk about a dog chasing his tail, but if this is not a typical example of that, then I have never seen one that would be.

Now, it is unique, but right in this very same week and right now before the Committee on Agriculture is the question of whether we are going to start a new subsidy program in order to curtail and to limit the production of dairy products. Yes, and we have a bill that has already passed the other body and is now up for consideration by the House, and a conference committee will have to settle the question as to whether we will curtail the importation of beef. I will be real interested in noting those that may be around here in the days to come and the extent to which they are concerned about the supply of beef at that time.

I should add further with regard to this question, that we have another bill coming before us this week known commonly as the poverty program. What a sad and pathetic story it is when some of the best agricultural country in the world is going to be classified as a distressed area with the people there trying to make a living by the production of beef and dairy products and who are going to be classified as being in a state of poverty because of competition created by reclamation projects. We are now promoting a project that will put more people in the poverty category. Yes, it is just as true as I am standing here that if we look at the experience of these projects that have been undertaken over the years and if we look at the production of beef and dairy products that has resulted therefrom, we see that they have placed any number of people within the category of being poverty stricken. Then we have to come along with some kind of aid to assist them. So, yes, if we want more of this kind in the future to confront our young people and if we want to saddle them with further interest payments, then, yes, these projects will do it. If we want to saddle them with further unbalanced budgets and with a further lack of opportunity in the field of agriculture, then this is the best way in the world to do it. For those reasons I think it ought to be clear to this House the extent to which we are contradicting ourselves and the extent to which we are creating future problems by the enactment of this kind of legislation. For that reason I recommend to this House that they ought to turn down this legislation in the interest of our future and particularly in the interest of agriculture, which has experienced this pathetic income decline in the past 3 or 4 years and with every evidence that it is going to go even further this year. The American farmers who have done such a wonderful and reliable job in producing food and fiber for this Nation is entitled to better treatment by their Government.

Mr. BURTON of Utah. I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, there is not much that I can add to the splendid statement just made by the gentleman from Minnesota [Mr. LANGEN]. He has said what I wished to emphasize. I am not opposed to the conservation of water in the Western States, but always flowing from the conservation of water, from the impounding of water and the conservation of it, in that area, no matter how it may be done, is irrigation to produce more crops and public power to entice industry to the detriment of other areas.

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

Mr. GROSS. I yield.

Mr. ASPINALL. As far as the crops are concerned reclamation does not add to the imbalance of the crops. As far as these particular areas served by this reclamation project are concerned, this will firm up the operation of these farmers who are in the areas. There is no question about that. In time, maybe 10 or 20 years from now, there may be some additional beef, some additional sheep. But if we are going to fight the so-called depressed condition of certain economic areas, the best way to do it is to firm up the economy of these particular areas so that the water that is available can be used.

Mr. GROSS. I suggest to the gentleman that insofar as agriculture is concerned we should firm up the economy of the farmers who are already producing a sufficient and more than sufficient supply of food in this country. This is not going to attack the problem of distribution. This bill simply adds to the surpluses already on hand and which are already costing the taxpayers heavily.

It is inexplicable that we would here today pass a bill calling for spending, as I understand it, of $47 million, a large part of which will be used to increase the production of agricultural commodities already in surplus in this country. This I say is completely inexplicable.

Mr. ASPINALL. If my colleague will yield, it has only been in the last 2 or 3

years that we have had any difficulty with our red meat prices.

Mr. GROSS. With what prices?

Mr. ASPINALL. Red meat program, imported beef. My friend from Minnesota is suggesting that he would be interested in knowing how some of us may vote on this question if it should come up. I can tell him how I will vote. I will vote for my livestock people. That is the way I will vote. But I want the Members of this House to know that this is in accordance with the Colorado River Project Act. This is a part of it, which follows through with a definite program as envisioned under President Eisenhower's administration when we gave such a great vote to the use of the water of the Upper Colorado River Basin. This is in complete harmony with everything that has been done so far.

Mr. GROSS. Yes, it is in harmony with the bringing into production of more and more land while paying farmers elsewhere to take their land out of production. I say again, I want you to have a water supply, and particularly the Western cities; but to use this impounding process as a means of increasing agricultural production, when the farmers already in business have fallen on lean days for the last decade, is inexplicable to me.

Mr. Speaker, I am opposed to this bill.

Mr. BURTON of Utah. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming [Mr. HARRISON].

Mr. HARRISON. Mr. Speaker, I am sorry that my good friends and colleagues, the gentleman from Minnesota, and the gentleman from Iowa, have attacked this project, the Savery-Pot Hook project, on the basis that it would put more land into cultivation and would increase beef production in this country. This project is a good project. The Savery-Pot Hook project includes the Bostwick Park and the Fruitland Mesa projects, and they are very important to the economy of the area of Colorado and Wyoming, which need it very badly.

The economy of the State of Iowa and the State of Minnesota has been firmed up for a great many years.

Mr. Speaker, I believe the concern which these two gentlemen have expressed as to the increase in cattle production is not warranted.

Mr. Speaker, we do need the expansion of our irrigated lands and the conservation of the water in our Western States. Water is very valuable to us. Many people in the Eastern States who have plenty of water through their rivers and other supplies do not realize our great need for this product.

Mr. Speaker, water is a scarce article in the Western States and by all means must be conserved.

Mr. Speaker, these projects will not only conserve the water for future generations and prevent it being wasted, but it will put back into cultivation a few additional acres and will make available supplemental water for those acres which are now receiving an inadequate supply of water.

Mr. Speaker, these are good projects. They will not add to the trouble that we are having here in this country. I believe they will lend themselves toward building a future for that part of our country which is very valuable to the United States, the Western areas.

Mr. Speaker, I hope that the House will support this bill because I believe it is a very good one.

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

Mr. HARRISON. I will.

Mr. GROSS. The gentleman says the economy in the Midwest has been firmed up. Yes, it has been firmed up to the extent that we have lost $1 billion of national income which we ought to have had had we received the prices that we ought to have had for our farm products. That is how it has been firmed up.

Mr. HARRISON. The gentleman from Iowa is not arguing with me, because as the chairman of the Committee on Interior and Insular Affairs says, the gentleman from Colorado [Mr. ASPINALL], I too am going to support a beef import bill. I am not too happy about some of these things about which the gentleman from Iowa has complained, but I cannot for the life of me see how the defeat of this bill would cure any of the things to which he says he is opposed.

Mr. BURTON of Utah. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I rise in support of H.R. 3672, a bill authorizing the construction of the Savery-Pot Hook, Bostwick Park, and Fruitland Mesa reclamation projects in Colorado and Wyoming.

Mr. Speaker, these are three separate projects, but are presented in one bill. These projects are part of our general reclamation program. All three are participating projects under the Colorado River Storage Project Act. These are the first participating projects to be authorized since the Colorado Storage Act was passed in 1956.

Mr. Speaker, I hope the House will approve this bill. All three of these projects are most important and essential to the different areas in which they are located.

Mr. Speaker, as a member of the House Subcommittee on Irrigation and Reclamation, I had the pleasure of visiting the sites of these projects. I observed the intense interest on the part of the local people who have been sponsoring these projects. They have been working for many years on these projects and have formed conservancy districts to handle the repayment of construction costs.

Mr. Speaker, the primary purpose of these projects is to furnish water for irrigation purposes. There are also fish and wildlife and recreation benefits. There will be supplemental water for land now under cultivation, and also water for newly irrigated land. The great need is to regulate the flow of the water so that it will be available when required. This can only be done by the construction of the dams provided for in this legislation.

Mr. Speaker, I am happy to give this bill my full support. I hope the House will vote to suspend the rules and pass this bill today.

Mr. BURTON of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to inform my colleagues of the House that I was a member of the subcommittee that went out to the site of these three projects. I have been on the ground and I want the Members of the House to know that I can certainly support them.

Mr. Speaker, I would also like to say that 95 percent of the cost is going to be repaid by power and irrigation revenues generated by these three projects.

Mr. Speaker, I believe this legislation represents something that we can support. I hope all of the Members of the House will support this bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, in 1956 when the Upper Colorado River Storage Project Act was pending before the Congress I led the fight against that bill. On that day I was defeated and Congress in its wisdom determined that the upper Colorado River storage project should become a reality.

Having become a reality from that time down to now, I have taken the position that Congress having decided it wanted this project, it is incumbent upon that Congress and succeeding Congresses to make this project work.

In the original bill these three projects, Savery-Pot Hook, Bostwick Park, and Fruitland Mesa, were ordered by the Congress to be studied by the Secretary of the Interior. The Secretary of the Interior has made his study, he has found they are good projects, and has recommended them to our committee.

The committee, after examining them, finds this is a way to use the water that has been allocated in the upper Colorado storage project to the States of Wyoming and Colorado.

These bills should be passed. This Congress has nothing to do except to approve the action which Congress took in 1956. I hope that these bills will pass, and that with the three projects here the upper Colorado storage project will become a better project than it has been in the past.

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

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

Mr. ASPINALL. May I as one of the sponsors of the original legislation and this legislation, and interested in reclamation in the West, commend the gentleman from Pennsylvania for the position he has taken. He led a noble fight. Since that time on two occasions previous to this he has helped to make this project a better project than it was in the original authorization, and I for one am very appreciative of my colleague for his activities.

Mr. SAYLOR. I thank my colleague for those kind remarks. Mr. Speaker, one of the reasons I opposed many projects in the West, so-called reclamation projects, is that they did not comply with the rules that Congress has established. The Department of Interior and the Bureau of Reclamation have had to make exception upon exception to have them qualify. These three projects comply in every respect with the basic reclamation law and, therefore, should be enacted.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken, and the Speaker announced that two-thirds had voted in favor of suspending the rules and passing the bill.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 250, nays 67, not voting 114, as follows:

[Roll No. 199]

YEAS—250

Abele	Delaney	Huddleston
Addabbo	Dent	Jarman
Albert	Denton	Jennings
Anderson	Dole	Jensen
Andrews, Ala.	Donohue	Johnson, Pa.
Andrews, N. Dak.	Dorn	Johnson, Wis.
Arends	Dowdy	Jones, Ala.
Aspinall	Downing	Karth
Ayres	Dulski	Kastenmeier
Baker	Duncan	Keith
Baldwin	Dwyer	Kelly
Barrett	Edmondson	Kilgore
Bates	Edwards	King, Calif.
Battin	Elliott	Kirwan
Beckworth	Everett	Kornegay
Beermann	Farbstein	Kunkel
Belcher	Fascell	Landrum
Bell	Fisher	Leggett
Bennett, Fla.	Flood	Libonati
Berry	Flynt	Lindsay
Blatnik	Fogarty	Lipscomb
Bow	Ford	Long, La.
Brademas	Fountain	Long, Md.
Brooks	Frelinghuysen	McClory
Broomfield	Friedel	McFall
Brotzman	Fuqua	McLoskey
Brown, Calif.	Gathings	McMillan
Broyhill, Va.	Gibbons	Macdonald
Bruce	Gilbert	Marsh
Burke	Gill	Martin, Mass.
Burkhalter	Glenn	Martin, Nebr.
Burleson	Gonzalez	Mathias
Burton, Calif.	Grabowski	Matsunaga
Burton, Utah	Grant	Matthews
Byrne, Pa.	Gray	May
Cahill	Green, Oreg.	Mills
Carey	Green, Pa.	Minish
Casey	Griffin	Moorhead
Cederberg	Griffiths	Morgan
Celler	Hagan, Ga.	Morris
Chenoweth	Hagen, Calif.	Morrison
Clark	Haley	Morton
Clausen, Don H.	Halleck	Moss
Clawson, Del	Hanna	Multer
Cleveland	Hansen	Murphy, Ill.
Colmer	Harding	Murphy, N.Y.
Conte	Hardy	Murray
Cooley	Harrison	Natcher
Corbett	Harvey, Ind.	O'Brien, N.Y.
Cramer	Hawkins	O'Hara, Ill.
Cunningham	Hays	O'Hara, Mich.
Curtin	Hechler	Olsen, Mont.
Daddario	Henderson	Olson, Minn.
Daniels	Herlong	O'Neill
Davis, Ga.	Holland	Ostertag
Dawson	Horan	Patman
	Horton	Patten
	Hosmer	Pelly
Pepper	Ryan, N.Y.	Thompson, Tex.
Perkins	St Germain	Thomson, Wis.
Philbin	St. Onge	Tollefson
Pickle	Saylor	Trimble
Pike	Selden	Tupper
Powell	Senner	Tuten
Price	Sheppard	Udall
Reid, Ill.	Short	Ullman
Reid, N.Y.	Sibal	Van Deerlin
Reifel	Sickles	Vanik
Reuss	Sikes	Vinson
Rhodes, Pa.	Slack	Waggonner
Rich	Smith, Iowa	Watts
Riehlman	Smith, Va.	Weltner
Rivers, Alaska	Springer	Westland
Roberts, Tex.	Stafford	Wharton
Rogers, Colo.	Staggers	White
Rogers, Fla.	Steed	Whitener
Rogers, Tex.	Stephens	Wickersham
Rooney, N.Y.	Stubblefield	Widnall
Rooney, Pa.	Sullivan	Williams
Roosevelt	Talcott	Winstead
Rosenthal	Taylor	Wright
Roudebush	Teague, Calif.	Young
Roush	Thomas	Younger
Roybal	Thompson, N.J.	Zablocki

NAYS—67

Abbitt	Gurney	Pirnie
Abernethy	Hall	Poage
Ashbrook	Harris	Poff
Becker	Harsha	Quillen
Betts	Hoeven	Rivers, S.C.
Bolton, Frances P.	Hutchinson	St. George
Bray	Joelson	Schadeberg
Brock	Johansen	Schenck
Brown, Ohio	Jonas	Schneebeli
Broyhill, N.C.	King, N.Y.	Schweiker
Byrnes, Wis.	Knox	Schwengel
Chelf	Laird	Scott
Clancy	Langen	Secrest
Dague	Latta	Siler
Derounian	McCulloch	Smith, Calif.
Devine	McDade	Stinson
Feighan	Mahon	Teague, Tex.
Fulton, Pa.	Michel	Tuck
Goodell	Milliken	Van Pelt
Goodling	Minshall	Watson
Gross	Moore	Wydler
Grover	Mosher	Wyman
	O'Konski	

NOT VOTING—114

Adair	Garmatz	Norblad
Alger	Gary	Osmers
Ashley	Giaimo	Passman
Ashmore	Gubser	Pilcher
Auchincloss	Halpern	Pillion
Avery	Harvey, Mich.	Pool
Baring	Healey	Pucinski
Barry	Hébert	Purcell
Bass	Hoffman	Quie
Bennett, Mich.	Holifield	Rains
Boggs	Hull	Randall
Boland	Ichord	Rhodes, Ariz.
Bolling	Johnson, Calif.	Roberts, Ala.
Bolton, Oliver P.	Jones, Mo.	Robison
Bonner	Karsten	Rodino
Bromwell	Kee	Rostenkowski
Buckley	Keogh	Rumsfeld
Cameron	Kilburn	Ryan, Mich.
Chamberlain	Kluczynski	Shipley
Cohelan	Kyl	Shriver
Collier	Lankford	Sisk
Corman	Lennon	Skubitz
Curtis	Lesinski	Snyder
Davis, Tenn.	Lloyd	Staebler
Derwinski	McDowell	Stratton
Diggs	McIntire	Taft
Dingell	MacGregor	Thompson, La.
Ellsworth	Madden	Toll
Evins	Mailliard	Utt
Fallon	Martin, Calif.	Wallhauser
Findley	Meader	Weaver
Finnegan	Miller, Calif.	Whalley
Fino	Miller, N.Y.	Whitten
Foreman	Monagan	Willis
Forrester	Montoya	Wilson, Bob
Fraser	Morse	Wilson, Charles H.
Fulton, Tenn.	Nedzi	Wilson, Ind.
Gallagher	Nelsen	
	Nix	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Rhodes of Arizona.
Mr. Keogh with Mr. Adair.
Mr. Karsten with Mr. Chamberlain.
Mr. Monagan with Mr. Martin of California.
Mr. Miller of California with Mr. Harvey of Michigan.
Mr. Evins with Mr. Bob Wilson.
Mr. Fallon with Mr. Taft.
Mr. Roberts of Alabama with Mr. Oliver P. Bolton.
Mr. Garmatz with Mr. Auchincloss.
Mr. Fraser with Mr. Fino.
Mr. Ashmore with Mr. MacGregor.
Mr. Fulton of Tennessee with Mr. Gubser.
Mr. Hull with Mr. Shriver.
Mr. Ichord with Mr. Wallhauser.
Mr. Holifield with Mr. Rumsfeld.
Mr. Giaimo with Mr. Alger.
Mr. Madden with Mr. Ellsworth.
Mr. Johnson of California with Mr. Osmers.
Mr. Baring with Mr. Nelsen.
Mr. Cameron with Mr. Snyder.
Mr. Corman with Mr. Weaver.
Mr. Cohelan with Mr. Barry.
Mr. Dingell with Mr. Kyl.
Mr. Lesinski with Mr. Morse.
Mr. Lennon with Mr. Halpern.
Mr. Pucinski with Mr. Miller of New York.
Mr. Rostenkowski with Mr. Collier.
Mr. Boggs with Mr. Derwinski.
Mr. Thompson of Louisiana with Mr. Bromwell.
Mr. Willis with Mr. Quie.
Mr. Stratton with Mr. Utt.
Mr. Charles H. Wilson with Mr. Norblad.
Mr. Montoya with Mr. Pillion.
Mr. Gallagher with Mr. Robison.
Mr. Sisk with Mr. Mailliard.
Mr. Shipley with Mr. Curtis.
Mr. Randall with Mr. Skubitz.
Mr. Finnegan with Mr. Meader.
Mr. Kluczynski with Mr. Wilson of Indiana.
Mr. Toll with Mr. Findley.
Mr. Ryan of Michigan with Mr. Bennett of Michigan.
Mr. Whitten with Mr. Foreman.
Mr. McDowell with Mr. Whalley.
Mr. Passman with Mr. McIntire.
Mr. Forrester with Mr. Kilburn.
Mr. Gary with Mr. Hoffman.
Mr. Pool with Mr. Avery.
Mr. Pilcher with Mrs. Kee.
Mr. Purcell with Mr. Buckley.
Mr. Nix with Mr. Nedzi.
Mr. Boland with Mr. Diggs.
Mr. Rains with Mr. Davis of Tennessee.
Mr. Bonner with Mr. Ashley.
Mr. Bass with Mr. Lankford.

Mr. RIVERS of South Carolina changed his vote from "yea" to "nay."

Mr. BRUCE, Mr. HARVEY of Indiana, Mr. BEERMANN, and Mr. ROUDEBUSH changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

CONTINUATION OF FEDERAL ASSISTANCE PROGRAMS FOR SCHOOLS IN IMPACTED AREAS

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include tabular matter.

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

There was no objection.

Mr. PERKINS. Mr. Speaker, Members of the House will, I am sure, be interested in providing for the continua-

tion of the Federal assistance programs for schools in impacted areas under Public Laws 815 and 874, particularly when they come to appreciate the growing difficulties which school boards and school superintendents are now experiencing in planning for the future.

You will recall that Public Laws 815 and 874 expired on June 30, 1963 and were not extended again until December 18 of last year. In the 5½ months during which the laws were technically dead, school superintendents throughout the country had to borrow funds and often borrow in a dubious legal situation because no statutory authority existed to assure that their school districts would be reimbursed by the Federal Government.

Mr. Speaker, it would be placing an unnecessary burden on school agencies throughout the country for this Congress to adjourn in 1964 without providing continuing assurance that the impacted areas schools will have funds so that they can begin planning for the school year beginning in September 1965. I therefore urge that a high priority order of business be the extension of the impacted areas laws, this very month, for at least 2 years. I understand that our colleagues on the Senate side have already taken action to bring this about and I commend them for their foresight. I am today introducing an identical bill.

Mr. Speaker, I know that my colleagues will be interested in having detailed information on the effect of these impacted areas laws in their congressional district. In the latest fiscal year for which complete data are available, 1963, under Public Law 874—which provides for maintenance and operation of schools—41,016 school districts received over $250 million. These school districts are located in 323 congressional districts.

In the same year, under Public Law 815—which provides for construction of school facilities—there were 235 separate construction projects in 120 congressional districts involving $44 million.

I ask unanimous consent to have inserted at this point in the CONGRESSIONAL RECORD a complete State and congressional district breakdown of Federal payments under Public Laws 815 and 874.

Summary of entitlements and number of eligible applicants, by State and congressional district, under Public Law 874, as amended, fiscal year 1963

State	Congressional district	Number of eligible applicants	Amount
Alabama	8	52	$5,642,144
Alaska	1	25	8,347,671
Arizona	3	115	5,407,713
Arkansas	4	67	1,633,370
California	32	531	44,440,666
Colorado	4	57	7,302,307
Connecticut	6	51	2,557,823
Delaware	1	9	274,429
Florida	10	17	7,052,796
Georgia	10	71	6,186,693
Hawaii	2	1	5,218,011
Idaho	2	47	1,843,861
Illinois	14	122	4,896,916
Indiana	9	94	1,363,826
Iowa	6	29	991,815
Kansas	5	168	6,265,025
Kentucky	6	52	1,437,653
Louisiana	4	9	1,273,861
Maine	2	73	2,241,440
Maryland	5	14	$10,811,517
Massachusetts	11	174	7,470,396
Michigan	8	61	1,945,392
Minnesota	7	28	607,011
Mississippi	5	21	1,429,470
Missouri	7	112	3,061,587
Montana	2	82	2,380,529
Nebraska	3	40	2,958,621
Nevada	1	12	1,595,117
New Hampshire	2	40	1,415,718
New Jersey	8	170	6,714,260
New Mexico	2	43	5,767,561
New York	17	191	6,849,355
North Carolina	5	27	2,984,034
North Dakota	2	56	1,408,835
Ohio	18	137	6,370,954
Oklahoma	6	356	7,916,994
Oregon	4	72	1,167,127
Pennsylvania	15	147	5,804,568
Rhode Island	2	22	2,122,158
South Carolina	5	35	4,040,225
South Dakota	2	72	2,658,786
Tennessee	8	50	2,870,394
Texas	19	237	14,442,599
Utah	2	15	2,799,046
Vermont	1	11	60,728
Virginia	10	45	16,418,300
Washington	7	201	8,897,424
West Virginia	2	6	165,086
Wisconsin	7	26	747,785
Wyoming	1	21	871,416
Guam		1	854,994
Virgin Islands		1	104,906
Total	323	4,116	250,790,913

Entitlements and number of eligible applicants, by congressional district, Public Law 874, as amended, fiscal year 1963

STATE OF ALABAMA

Congressional district	Number of eligible applicants	Entitlement
At large (8)	52	$5,642,144

STATE OF ALASKA

At large (1)	25	$8,347,671

STATE OF ARIZONA

1	21	$820,499
2	45	2,620,052
3	49	1,967,162
Total (3)	115	5,407,713

STATE OF ARKANSAS

1	2	$215,921
2	29	921,967
3	24	226,289
4	12	269,193
Total (4)	67	1,633,370

STATE OF CALIFORNIA

1	43	$1,789,150
2	69	790,668
3	14	3,502,868
4	34	3,056,242
5	1	1,078,515
7	3	1,169,948
8	7	1,284,397
9	21	1,196,204
10	18	942,581
11	13	596,116
12	27	2,206,470
13	38	3,684,736
14	19	1,116,895
15	10	445,198
16	12	656,685
17	5	324,825
18	17	1,899,040
19	6	222,853
21	1	17,622
23	5	351,473
24	3	$204,650
25	3	112,584
27	11	1,044,498
28	7	260,641
31	4	89,486
32	1	1,314,730
33	40	3,197,961
34	17	1,182,758
35	46	2,981,300
36	5	4,675,863
37	8	1,850,581
38	23	1,193,128
Total (32)	531	44,440,666

STATE OF COLORADO

1	1	$1,390,058
2	17	2,076,911
3	23	3,422,504
4	16	412,834
Total (4)	57	7,302,307

STATE OF CONNECTICUT

At large (1)		
1	9	$233,219
2	35	1,940,690
3	2	138,537
4	3	217,530
5	2	27,847
Total (6)	51	2,557,823

STATE OF DELAWARE

At large (1)	9	$274,429

STATE OF FLORIDA

1	5	$2,025,319
2	1	1,265,941
4	1	439,007
5	2	257,949
7	1	13,403
8	2	172,498
9	1	709
10	1	307,457
11	2	2,350,823
12	1	219,690
Total (10)	17	7,052,796

STATE OF GEORGIA

1	7	$503,801
2	6	615,953
3	17	1,911,767
4	3	151,590
5	3	328,337
6	12	739,444
7	8	892,157
8	5	242,391
9	5	76,569
10	5	724,684
Total (10)	71	6,186,693

STATE OF HAWAII

At large (2)	1	$5,218,011

STATE OF IDAHO

1	23	$374,840
2	24	1,469,021
Total (2)	47	1,843,861

STATE OF ILLINOIS

4	3	42,701
6	1	46,832
12	25	1,681,800
13	2	155,137
14	13	273,350

Entitlements and number of eligible applicants, by congressional district, Public Law 874, as amended, fiscal year 1963—Con.

STATE OF ILLINOIS—continued

Congressional district	Number of eligible applicants	Entitlement
15	6	$30,727
16	9	79,186
17	11	133,571
18	1	6,237
19	6	308,013
21	13	117,621
22	8	979,170
23	2	32,575
24	22	1,009,996
Total (14)	122	4,896,916

STATE OF INDIANA

2	1	$18,196
3	1	6,622
5	12	437,205
6	8	74,968
7	27	276,833
8	13	135,579
9	26	160,396
10	3	13,256
11	3	240,771
Total (9)	94	1,363,826

STATE OF IOWA

1	14	$561,946
2	1	8,542
4	7	143,714
5	4	111,578
6	1	117,275
7	2	48,760
Total (6)	29	991,815

STATE OF KANSAS

1	25	$646,856
2	40	2,645,611
3	22	457,826
4	43	2,168,522
5	38	346,210
Total (5)	168	6,265,025

STATE OF KENTUCKY

1	17	$309,531
2	8	145,585
3	1	278,261
4	6	303,839
5	7	67,268
6	13	333,169
Total (6)	52	1,437,653

STATE OF LOUISIANA

4	2	$595,953
6	1	26,852
7	3	202,064
8	3	448,992
Total (4)	9	1,273,861

STATE OF MAINE

1	38	$904,915
2	35	1,336,525
Total (2)	73	2,241,440

STATE OF MARYLAND

At large (1)		
1	2	$266,109
2	2	1,286,093
5	6	5,423,188
6	4	3,836,127
Total (5)	14	10,811,517

Entitlements and number of eligible applicants, by congressional district, Public Law 874, as amended, fiscal year 1963—Con.

STATE OF MASSACHUSETTS

Congressional district	Number of eligible applicants	Entitlement
1	21	$698,563
2	9	1,390,534
3	25	912,900
4	11	303,896
5	19	966,194
6	24	352,763
7	10	579,652
8	3	207,318
10	6	105,639
11	11	618,403
12	35	1,334,534
Total (11)	174	7,470,396

STATE OF MICHIGAN

At large (1)		
2	1	$10,182
3	5	192,769
7	15	404,471
9	8	67,280
10	3	353,696
11	15	426,904
12	12	455,730
16	2	34,360
Total (9)	61	1,945,392

STATE OF MINNESOTA

1	1	$3,656
2	1	7,977
3	4	129,302
4	1	32,353
6	2	24,486
7	12	254,196
8	7	155,041
Total (7)	28	607,011

STATE OF MISSISSIPPI

1	4	$239,213
2	1	53,952
3	1	70,509
4	2	88,701
5	13	977,095
Total (5)	21	1,429,470

STATE OF MISSOURI

1	1	$50,707
2	7	315,904
4	42	1,572,183
6	8	52,321
7	20	119,845
8	27	840,455
9	7	110,172
Total (7)	112	3,061,587

STATE OF MONTANA

1	32	$298,696
2	50	2,081,833
Total (2)	82	2,380,529

STATE OF NEBRASKA

1	13	$924,009
2	8	1,704,002
3	19	330,610
Total (3)	40	2,958,621

STATE OF NEVADA

At large (1)	12	$1,595,117

Entitlements and number of eligible applicants, by congressional district, Public Law 874, as amended, fiscal year 1963—Con.

STATE OF NEW HAMPSHIRE

Congressional district	Number of eligible applicants	Entitlement
1	32	$1,300,065
2	8	115,653
Total (2)	40	1,415,718

STATE OF NEW JERSEY

1	39	$576,384
2	18	320,025
3	47	2,062,772
4	32	2,842,680
5	20	546,126
7	10	124,677
13	1	102,515
15	3	139,081
Total (8)	170	6,714,260

STATE OF NEW MEXICO

At large (2)	43	$5,767,561

STATE OF NEW YORK

1	44	$1,159,370
2	17	514,579
3	3	105,157
4	4	405,109
5	3	31,696
25	2	14,740
27	12	539,902
28	6	115,009
29	20	777,201
30	27	987,433
31	6	119,521
32	20	1,263,113
33	8	198,490
34	1	156,057
35	10	242,774
38	5	61,115
40	3	158,089
Total (17)	191	6,849,355

STATE OF NORTH CAROLINA

1	6	$147,804
3	11	1,704,395
7	7	1,061,570
8	1	13,308
11	2	56,957
Total (5)	27	2,984,034

STATE OF NORTH DAKOTA

1	16	$538,276
2	40	870,559
Total (2)	56	1,408,835

STATE OF OHIO

At large (1)		
1	1	$2,476
2	6	116,306
3	13	1,693,067
4	3	27,720
5	7	138,656
6	22	343,668
7	26	1,220,722
8	2	18,517
10	18	135,034
11	3	67,872
12	13	2,172,215
13	3	23,204
14	1	13,812
15	1	6,191
17	11	194,601
19	2	13,008
23	5	183,885
Total (18)	137	6,370,954

Entitlements and number of eligible applicants, by congressional district, Public Law 874, as amended, fiscal year 1963—Con.

STATE OF OKLAHOMA

Congressional district	Number of eligible applicants	Entitlement
1	23	$734,779
2	96	713,062
3	46	274,141
4	74	548,718
5	37	3,177,794
6	80	2,468,500
Total (6)	356	7,916,994

STATE OF OREGON

1	16	$222,099
2	31	535,543
3	2	33,388
4	23	376,097
Total (4)	72	1,167,127

STATE OF PENNSYLVANIA

1, 2, 3, 4, and 5	1	$2,431,077
6	3	27,741
8	15	517,885
9	22	520,194
10	3	24,465
12	22	446,734
13	4	174,305
15	7	49,526
16	35	818,998
17	1	12,796
18	1	29,975
19	29	721,714
23	1	303
24	1	1,464
27	2	27,391
Total (15)	147	5,604,569

STATE OF RHODE ISLAND

1	13	$1,503,458
2	9	618,700
Total (2)	22	2,122,158

STATE OF SOUTH CAROLINA

1	15	$2,117,255
2	15	1,528,638
3	3	58,210
4	1	174,621
6	1	161,501
Total (5)	35	4,040,225

STATE OF SOUTH DAKOTA

1	17	$255,803
2	55	2,402,983
Total (2)	72	2,658,786

STATE OF TENNESSEE

1	6	$208,155
2	12	1,037,757
3	6	73,558
4	10	680,453
6	5	310,138
7	7	59,685
8	3	109,805
9	1	390,843
Total (8)	50	2,870,394

STATE OF TEXAS

At large (1)		
1	30	$590,809
2	2	23,026
4	15	240,520
5	8	211,564
6	11	61,820
7	1	1,775
10	6	156,414
11	30	1,718,552

Entitlements and number of eligible applicants, by congressional district, Public Law 874, as amended, fiscal year 1963—Con.

STATE OF TEXAS—continued

Congressional district	Number of eligible applicants	Entitlement
12	17	$1,727,752
13	15	349,148
14	18	794,880
15	12	230,968
16	11	2,086,532
17	17	601,479
18	8	593,440
19	8	353,297
20	15	4,247,801
21	13	452,822
Total (19)	237	14,442,599

STATE OF UTAH

1	11	$1,272,290
2	4	1,526,756
Total (2)	15	2,799,046

STATE OF VERMONT

At large (1)	11	$60,728

STATE OF VIRGINIA

1	11	$3,105,450
2	3	4,230,603
3	1	49,837
4	7	614,195
5	1	27,845
6	4	233,900
7	1	13,969
8	9	817,706
9	3	128,464
10	5	7,196,331
Total (10)	45	16,418,300

STATE OF WASHINGTON

1	5	$879,492
2	36	1,077,307
3	41	480,952
4	50	1,673,987
5	36	911,303
6	21	3,298,888
7	12	575,495
Total (7)	201	8,897,424

STATE OF WEST VIRGINIA

2	5	$144,981
3	1	20,105
Total (2)	6	165,086

STATE OF WISCONSIN

1	1	$4,261
2	7	356,432
3	4	158,363
7	1	20,345
8	4	51,156
9	1	22,054
10	8	135,174
Total (7)	26	747,785

STATE OF WYOMING

At large (1)	21	$871,416

VIRGIN ISLANDS

	1	$104,906

GUAM

	1	$854,994

Federal funds obligated for construction of school facilities under Public Law 815 by congressional district, by State, fiscal year 1963

Congressional district	Number of projects	Total amount of Federal funds reserved
ALABAMA		
At large (8)	5	$758,131
ALASKA		
At large (1)	4	1,419,988
ARIZONA		
1st	2	229,345
2d	4	695,826
3d	10	2,801,811
Total (3)	16	3,726,982
ARKANSAS		
1st	1	94,990
2d	1	276,656
3d	3	168,299
Total (3)	5	539,945
CALIFORNIA		
3d	1	291,787
4th	7	1,834,502
9th	1	48,910
12th	2	46,746
13th	9	2,099,891
15th	1	63,573
16th	2	276,977
18th	2	59,055
27th	1	275,125
33d	5	731,603
35th	4	534,095
37th	1	152,675
38th	1	425,165
Total (13)	37	6,840,104
COLORADO		
2d	3	939,708
3d	3	1,381,611
4th	1	129,276
Total (3)	7	2,450,595
CONNECTICUT		
At large (1)		
2d	2	358,760
Total (2)	2	358,760
FLORIDA		
2d	1	140,980
5th	1	344,125
Total (2)	2	485,105
GEORGIA		
3d	1	509,295
IDAHO		
1st	1	37,500
2d	4	545,006
Total (2)	5	582,506
ILLINOIS		
24th	3	809,067
INDIANA		
5th	1	312,745
IOWA		
7th	1	24,665
KANSAS		
1st	1	46,980
2d	2	140,882
5th	2	23,520
Total (3)	5	211,382
KENTUCKY		
4th	1	33,000
LOUISIANA		
6th	1	351,390
MAINE		
1st	1	25,000

Federal funds obligated for construction of school facilities under Public Law 815 by congressional district, by State, fiscal year 1963—Continued

Congressional district	Number of projects	Total amount of Federal funds reserved
MARYLAND		
At large (1)		
2d	1	$475,310
5th	1	3,586,169
6th	2	3,125,830
Total (4)	4	7,187,309
MASSACHUSETTS		
5th	1	319,850
12th	2	268,605
Total (2)	3	588,455
MICHIGAN		
At large (1)		
10th	1	317,817
11th	2	445,323
12th	1	21,875
Total (4)	4	785,015
MINNESOTA		
8th	2	156,660
MISSISSIPPI		
1st	1	30,080
5th	1	46,000
Total (2)	2	76,080
MISSOURI		
4th	2	80,664
7th	1	12,495
8th	1	30,590
Total (3)	4	123,749
MONTANA		
1st	1	10,184
2d	3	794,651
Total (2)	4	804,835
NEBRASKA		
2d	2	62,802
3d	2	81,500
Total (2)	4	144,302
NEVADA		
At large (1)	1	94,144
NEW JERSEY		
3d	2	265,252
4th	6	552,322
7th	1	24,940
Total (3)	9	842,514
NEW MEXICO		
At large (2)	4	561,386
NEW YORK		
27th	1	164,100
30th	1	416,200
32d	1	382,045
Total (3)	3	962,345
NORTH CAROLINA		
3d	1	299,650
7th	2	624,917
Total (2)	3	924,567
NORTH DAKOTA		
1st	2	196,732
2d	3	309,129
Total (2)	5	505,861
OHIO		
At large (1)		
3d	1	411,179
7th	3	455,190
12th	3	757,481
17th	2	74,370
Total (5)	9	1,698,220

Federal funds obligated for construction of school facilities under Public Law 815 by congressional district, by State, fiscal year 1963—Continued

Congressional district	Number of projects	Total amount of Federal funds reserved
OKLAHOMA		
2d	2	$29,430
4th	3	77,716
5th	5	587,505
6th	6	649,485
Total (4)	16	1,344,136
OREGON		
2d	1	35,592
PENNSYLVANIA		
12th	1	44,010
RHODE ISLAND		
1st	1	144,894
SOUTH CAROLINA		
1st	2	647,448
2d	1	137,074
Total (2)	3	784,522
SOUTH DAKOTA		
1st	1	34,080
2d	9	930,436
Total (2)	10	964,516
TENNESSEE		
4th	3	302,815
6th	1	15,770
Total (2)	4	318,585
TEXAS		
At large (1)		
1st	1	95,375
10th	1	107,217
11th	2	178,215
14th	1	228,355
16th	3	452,040
20th	1	636,000
Total (7)	9	1,697,202
UTAH		
1st	2	1,364,451
2d	2	727,849
Total (2)	4	2,092,300
VIRGINIA		
1st	2	761,860
4th	1	31,144
8th	1	19,000
10th	1	154,620
Total (4)	5	966,624
WASHINGTON		
2d	1	51,870
3d	5	270,959
4th	2	54,102
5th	7	282,802
6th	1	143,787
7th	1	96,151
Total (6)	17	899,671
WEST VIRGINIA		
3d	1	75,000
WISCONSIN		
8th	1	1,478
WYOMING		
At large (1)	3	69,855
VIRGIN ISLANDS		
	1	251,425
Grand total (120)	235	44,583,912

APPEALS RIGHTS OF CANAL ZONE EMPLOYEES

Mr. O'HARA of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7662) to amend the Federal Employees' Compensation Act, as amended, to provide appeal rights to employees of the Canal Zone Government and the Panama Canal Company.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 42 of the Federal Employees' Compensation Act (39 Stat. 750; 5 U.S.C. 793), as amended, is amended by adding at the end of the second paragraph the following: "The same right of appeal shall exist respecting claims filed by employees of the Canal Zone Government and of the Panama Canal Company or their dependents in case of death, as is provided with respect to the claims of other employees of the Federal Government, under the provisions of section 3 of Reorganization Plan Numbered 2 of 1946 (60 Stat. 1095), and the Appeals Board established pursuant to such reorganization plan shall have jurisdiction, under regulations prescribed by the Secretary of Labor, over appeals relating to claims of such employees or their dependents."

The SPEAKER. Is a second demanded?

Mr. ASHBROOK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

Mr. O'HARA of Michigan. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, this bill has the very simple objective of providing an opportunity for employees of the Panama Canal Zone and the Panama Canal Company to appeal adverse decisions on workmen's compensation claims to the Federal Employees Compensation Appeal Board.

The enactment of this legislation would bring the practice with regard to appeals of Federal employees' compensation claims for Panama Canal Zone and Panama Canal Company employees in line with the appeal practice that is granted to every other employee of the U.S. Government.

Mr. Speaker, this bill is necessary because through a very complicated series of enactments which started long before the adoption of an appeals board, somehow or other Canal Zone employees were left out of the right to appeal to the Federal Employees Compensation Appeal Board.

Mr. Speaker, in my opinion this legislation represents a simple matter of justice, that these employees be given that right just as any other Federal employee now enjoys.

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

Mr. ASHBROOK. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise to support the motion to suspend the rule, in order that the House may proceed to the immediate enactment of H.R. 7662.

The bill before us is a noncontroversial proposal which was unanimously approved by the Committee on Education and Labor. The sole purpose of this legislation is to accord to the employees of the Canal Zone government and the Panama Canal Company the same appeal rights under the Federal Employees Compensation Act as are accorded to all other Federal employees.

The anomaly under the present system arises from the fact that the determination of such cases was vested in the Governor of the Panama Canal Zone in 1916—long before the creation of the Employees Compensation Appeals Board, which has jurisdiction over compensation cases involving all other Federal employees. In the interests of equity and consistency, this anomaly should be wiped out.

Mr. Speaker, this legislation has been endorsed by the Budget Bureau and the Department of Labor. The enactment of this legislation will permit all Federal employees to avail themselves of a common appellate procedure in all relevant compensation cases. This legislation is long overdue, and I strongly support its enactment.

The SPEAKER. The question is on the motion of the gentleman from Michigan [Mr. O'HARA] that the House suspend the rules and pass the bill H.R. 7662.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

EXPENSES OF EMPLOYEES ASSIGNED TO CALIFORNIA OFFSHORE ISLANDS

Mr. ROSENTHAL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11211) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide authority for the payment of per diem for certain travel of employees of the Department of the Navy.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), each employee of the United States who is assigned to duty, other than temporary duty, on one of the California offshore islands shall be paid, in addition to compensation otherwise due him, an allowance of not to exceed $10 per day: *Provided,* That such allowance shall be paid only in accordance with regulations prescribed by the President establishing the rates at which such allowance will be paid and defining the areas and groups of positions to which such rates shall apply.

SEC. 2. (a) Each employee or former employee of the Department of the Navy who was erroneously paid per diem in lieu of subsistence under section 3 of the Travel Expense Act of 1949 (5 U.S.C. 836), for the period he was assigned to one of the California offshore islands as his principal place of duty, is relieved of all liability to refund to the United States the amounts of per diem in lieu of subsistence so paid.

(b) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the employee, former employee, or other appropriate party concerned, in accordance with law, all amounts paid by or withheld from amounts otherwise due an employee or former employee of the Department of the Navy in complete or partial satisfaction of his liability to the United States for which relief has been granted by section 2 of this Act.

SEC. 3. In accordance with regulations issued under the first section of this Act, the allowance authorized by such section may be made retroactively effective from the date erroneous payments of per diem in lieu of subsistence were discontinued as a result of the decision of the Comptroller General of the United States dated May 4, 1964 (B–153571).

Amend the title so as to read: "A bill to provide authority for the payment of certain amounts to offset certain expenses of Federal employees assigned to duty on the California offshore islands, and for other purposes.".

The SPEAKER. Is a second demanded?

Mr. ANDERSON. Mr. Speaker, I demand a second.

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, H.R. 11211 is a bill introduced to remedy a serious problem confronting civilian employees of the Navy Department assigned to duty on the offshore islands of California. The Comptroller General has ruled that per diem payments made by the Navy to these employees were improper and has ordered the Navy to collect the amounts already paid and to cease such payments still being made. The purpose of this bill is to validate the payments which have been made and to provide a method of compensation for out-of-pocket expenses for these employees in the future.

The islands involved are San Clemente, San Nicolas, and Santa Cruz which are barren and uninhabited but on which important defense installations are being maintained by the Navy. The only transportation from the mainland is that furnished by the Navy. The only food and lodging is that provided by the Navy. The employees are flown to the islands at the beginning of the week and returned to the mainland on the weekend. There are no facilities for dependents and, hence, the employees are required to maintain their permanent residences on the mainland.

For a number of years, the Navy has treated these employees as though they were in travel status under temporary duty travel orders, providing their transportation at Government expense and a per diem allowance of $6 per day. From the per diem allowance they were charged and paid back to the Navy $3.50 for their meals and lodging. The balance was for other miscellaneous expenses. Obviously, working under these conditions, some extra compensation was warranted and the amount involved could hardly be called excessive. But the payments were made under the Travel Expense Act and the Comptroller General has ruled that these employees were not in travel status as the law intended. Hence, the order to cease further payments and to collect all improper payments previously made. Approximately $400,000 in refunds are involved. We have been told by employees that some persons would have to repay amounts running into thousands of dollars. There would be many instances of severe hardship if these collections were made.

For the time being, and until Congress disposes of the pending legislation, the Comptroller has permitted the Navy to suspend collecting past payments. But those who are now employed are currently getting no per diem or other compensation. An additional factor is involved in that contract service personnel, being paid indirectly from public funds, are still being paid a higher subsistence per diem than our own workers received. We have been informed that the morale among the workers is very low. They feel, naturally, that they should be reimbursed for unusual expenses they incur for the benefit of the Government. Our committee and many Members from the State of California have received numerous letters and telegrams from the employees involved or on their behalf requesting our assistance.

Hearings were held by the committee at which representatives of the Navy Department, the Bureau of the Budget, the General Accounting Office, and the employee organizations testified. The Navy Department informed us that under their interpretation of the Travel Expense Act of 1949, payments were believed to be proper and such payments had been made for approximately 14 years until the Comptroller's ruling in May just past. The Navy was in accord with the legislation which had been introduced and recommended that it be passed. The Comptroller General also favored a legislative solution but preferred not to utilize the Travel Expense Act as the vehicle. Hence, he proposed a substitute amendment which would validate the payments made but would authorize an allowance in addition to the compensation that the employees normally receive. The Bureau of the Budget supported the view of the General Accounting Office but suggested that a more generalized approach be devised, not limited to the California offshore islands, and that the bill be enacted as temporary legislation until the new approach could be developed. June 30, 1965, was suggested as the date of expiration. The committee felt that in the light of all the circumstances it would be better not to put in an expiration date and rejected this proposal. Representatives of the employees, some of whom came all the way from California, testified as to the hardship which they would have to suffer unless legislative action was taken and advised the committee that many employees were considering resigning and looking for other work. In view of the inconvenience involved in working on the islands, a staffing problem for the Navy would be a serious one, indeed, if widespread resignations did occur.

The committee agreed that the General Accounting Office had suggested the better approach to the problem and the amendment in the nature of a substitute was adopted. In brief, section 1 provides that an allowance not to exceed

$10 per day for employees of the California offshore islands shall be paid over and above their regular compensation. This allowance would be set only in accordance with regulations prescribed by the President. Section 2 would validate the payments made under the Travel Expense Act and the employees who received such payments would be relieved of all liability to refund them to the United States. It would authorize the Secretary of the Treasury to pay to the employees any amounts which may have been withheld from them to satisfy the Government's claim against them. Section 3 would permit the allowance authorized by the bill to be made retroactive so that eligible employees who have received no payments since the Comptroller's decision of May 4 would be entitled to the allowance for each day worked since the cutoff date.

This bill was reported unanimously by the Committee on Government Operations and it is our opinion that this legislation would not only be an act of justice and equity to these employees who work under most difficult circumstances, but will insure the manpower needed to maintain our Nation's defense on the offshore islands.

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOLIFIELD] 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. HOLIFIELD. Mr. Speaker, I strongly support H.R. 11211 to provide an allowance for employees of the Navy Department now working on the California offshore islands and to relieve them from refunding to the Navy any payments for subsistence expenses which they may have erroneously received in the past.

The conditions under which these employees work require extra compensation from the Government. They remain on these islands from early Monday until Friday night and must maintain homes for their families on the mainland. The lodging and food which they must purchase from the Government while on the islands are expenses that we should not expect our Federal employees to pay out of their own pockets.

For a number of years the Navy Department has been paying these employees a per diem rate to cover these expenses, but the General Accounting Office ruled that such payments under the Travel Expense Act were illegal. This may be so. I have no quarrel with the Comptroller General's interpretation of the law. I do know, however, that some alternative should be provided so that these expenses can properly be paid. We have such an alternative in this bill and I hope that it will be quickly passed by both Houses of Congress so that the anxiety of these employees can be relieved and the important work in national defense that is going on on these islands can be continued.

Mr. ANDERSON. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this bill was reported unanimously by the Executive Reorganization Subcommittee of the Committee on Government Operations, and I am in hearty support of the bill.

Mr. Speaker, as is stated in the report of the Committee on Government Operations which accompanies H.R. 11211, this bill is to remedy an inequity which has resulted from a ruling of the Comptroller General of the United States which has had the effect of cutting off the per diem payments which for a number of years have been made to civilian employees of the Navy Department assigned to duty on the islands which are offshore from the coast of California. These islands, which are presently occupied by important installations engaged in tracking and other associated activities of our Pacific Missile Range, are located about 60 miles from the coast of California. They are rocky, barren, and otherwise uninhabited. In order to recruit personnel it has been necessary to fly them to and from these islands and to furnish them living quarters and messing facilities while they are working there. In May of this year, the Comptroller General decided that the action of the Navy Department in paying these people per diem under the Travel Expense Act of 1949, as amended, was in violation of the law. This decision came about because the Comptroller General concluded that the post of duty of an employee so engaged was, in fact, the island and not a place the mainland of the United States where the employees customarily enplaned for their flight to the islands.

Since these per diem payments have been made to many individuals over the past few years it was estimated that legal action would have to be commenced to recover some $400,000 that have been illegally paid out under the erroneous interpretation by the Navy of the provisions of the Travel Expense Act of 1949, as amended. This would have resulted in great hardship to certain individual employees from whom it would have been necessary to recover in some cases as much as $7,000. Since these payments were received in good faith by all of these employees and were actually considered by them to be a part of the compensation they were entitled to receive for performing work under the conditions described, it seemed to the Committee on Government Operations that it would be highly unfair and inequitable to compel repayment. It was also brought out in the hearings before the subcommittee that the Navy Department would shortly face great difficulty in recruiting personnel for work on these offshore islands unless authority was given to the Navy to pay some allowance in addition to the basic wage rates provided for by statute.

Mr. Speaker, I think that the gentleman from California [Mr. CHARLES TEAGUE] should be commended as the author of this bill for his initiative in pressing this matter before the Committee on Government Operations. His persistence and effective work in connection with this measure has undoubtedly contributed to the fact that this bill was reported unanimously out of the Executive and Legislative Reorganization Subcommittee as well as receiving unanimous approval of the full Committee on Government Operations. I urge its adoption.

Mr. Speaker, I yield 2 minutes to the author of this bill, the gentleman from California [Mr. TEAGUE].

Mr. TEAGUE of California. Mr. Speaker, I take this time to make myself available for any questions that may be posed.

I would like to express my deep appreciation to the gentleman from California [Mr. HOLIFIELD], to the chairman of the committee, and to all members of the House Committee on Government Operations for their cooperation in the consideration of this bill.

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

Mr. TEAGUE of California. I yield to the gentleman from Iowa.

Mr. GROSS. I think the letter from the General Accounting Office is the best endorsement this bill could have, being directly concerned with the matter of payments to personnel and overpayments to personnel.

Mr. TEAGUE of California. Mr. Speaker, I appreciate the gentleman's position.

Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, this measure is designed to rectify an obvious injustice, and I am happy to join my good friend, the gentleman from California, in urging its favorable consideration. My support for the bill has already been evidenced through the introduction of an identical bill, H.R. 11506, inasmuch as some of the people concerned live within the 26th Congressional District of California.

May I also express my pleasure at the agreement of my colleague, the gentleman from Iowa [Mr. GROSS]. It is wonderful to note that on such nonpartisan matters there can be a warm degree of cooperation between those whose districts are affected by this kind of legislation.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: "A bill to provide authority for the payment of certain amounts to offset certain expenses of Federal employees assigned to duty on the California offshore islands, and for other purposes."

PERMITTING THE USE OF STATISTICAL SAMPLING PROCEDURES IN THE EXAMINATION OF VOUCHERS

Mr. ROSENTHAL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10446) to permit the use of

statistical sampling procedures in the examination of vouchers.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (a) That, whenever the head of any department or agency of the Government or the Commissioners of the District of Columbia determines that economies will result therefrom, such agency head or the Commissioners may prescribe the use of adequate and effective statistical sampling procedures in the examination of disbursement vouchers for amounts of less than $100; and no certifying or disbursing officer acting in good faith and in conformity with such procedures shall be held liable with respect to any certification or payment made by him on a voucher which was not subject to specific examination because of the prescribed statistical sampling procedure, provided that such officer and his department or agency have diligently pursued collection action to recover the illegal, improper, or incorrect payment in accordance with procedures prescribed by the Comptroller General.

(b) Nothing contained in this Act shall affect the liability, or authorize the relief, of any payee, beneficiary, or recipient of any illegal, improper, or incorrect payment, or relieve any certifying or disbursing officer, the head of any department or agency of the Government, the Commissioners of the District of Columbia, or the Comptroller General of responsibility to pursue collection action against any such payee, beneficiary, or recipient.

The SPEAKER. Is a second demanded?

Mr. ANDERSON. Mr. Speaker, I demand a second.

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 10446 is a bill to permit the use of statistical sampling procedures in the examination of vouchers. It was recommended to the Congress by the Director of the Bureau of the Budget with the concurrence of the Secretary of the Treasury and the Comptroller General. The bill would alter the method of examining vouchers prior to payment in the executive departments and agencies. At the present time, every voucher, regardless of amount, is examined for its propriety and correctness. Under the bill, only a sample of the vouchers would be examined. The sample, however, would be selected by statistical sampling procedures. This change is justified by the Bureau because of the significant savings that would result.

The bill was supported by the General Accounting Office, the Treasury Department, and received favorable comment from representatives of the American Institute of Certified Public Accountants, and the American Statistical Association. The Bureau of the Budget feels that on the basis of experimental studies conducted by the Department of Health, Education, and Welfare and the Department of Agriculture that substantial economies in manpower and dollars could be effected on a governmentwide basis by a sampling of these vouchers.

The Department of Health, Education, and Welfare conducted a study using statistical sampling in the administrative examination of vouchers over a 5-week period, examining about 61,000 vouchers amounting to approximately $25 million. It was estimated that the savings to this Department if the proposed procedure were utilized would be about $270,000 annually. A similar study by the Department of Agriculture projected an estimated annual savings of between $400,000 and $500,000, if this procedure were adopted. Both of these studies indicated that the risk of loss to the Government would be slight compared to the projected savings.

The bill provides that certifying or disbursing officers acting in good faith and in accordance with approved procedures will not be held liable for an improper payment on a voucher which is not subject to examination under the prescribed sampling system. It will also protect the interest of the Government by making it clear that the payee, beneficiary, or other recipient of an improper payment continues to be liable therefore and the agency concerned has a continuing responsibility to pursue collection action against any such payee of an illegal, improper, or incorrect payment.

The committee adopted two amendments. One amendment would limit the sampling techniques to vouchers in amounts below $100. All vouchers above that amount would continue to be examined. We felt this precaution was justified and would still not reduce the effectiveness of the plan inasmuch as the great majority of vouchers drawn fall below this amount, and $100 appears to be the cutoff point where savings become practical.

The second amendment was offered by the General Accounting Office and would condition the relief from liability of certifying or disbursing officers by the Comptroller General upon their diligent pursuit of collection action against an illegal payee. This would militate against any lethargy in attempting to recover funds improperly paid.

We recognize that sampling is rather new in the field of public accounting and obviously some risks are involved. Private business, however, is using this tool more and more and it is becoming standard procedure with some large corporations. The accounting and statistical experts who provided us with information were satisfied that sampling would be both practical and economical for the Government.

Although every agency has special problems and may use different techniques, the Comptroller General will lay down definite standards and guidelines for all sampling procedures. This committee will likewise maintain a watchful eye and make periodic checks to see if the law is operating satisfactorily and produces the results we anticipate.

This bill was reported unanimously by the Committee on Government Operations as a device to further the modernization of procedures and produce economies in our governmental colossus.

Mr. ANDERSON. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in enthusiastic support of this legislation. I think this bill can in fact turn out to be one of the most useful and productive bills that have been reported out of the Committee on Government Operations during this session of Congress.

I think the gentleman from New York has very adequately explained the purpose of this legislation. There are merely one or two comments I should like to make in addition to what he has already stated.

The first of these is this. When we speak of statistical sampling we refer, of course, to the manner in which the vouchers will be examined prior to payment. I should like to emphasis that we are not thinking of a mere random and haphazard system of sampling. This is a scientific system. It is not something that will be gone at haphazardly. The phrase "statistical sampling" does have a well-defined meaning in accounting circles. The committee listened to testimony by the American Institute of Certified Public Accountants to this effect.

My second point is that the statistical sampling that would be permitted under this legislation will arise as the result of standards and procedures that will be set up by the General Accounting Office. They will have to approve the particular method of statistical sampling that is used by any agency of the executive branch. They, of course, as the gentleman from New York has stated, have appeared in support of this legislation.

I think the gentleman referred to the fact that in some of the preliminary work that was done on this bill prior to its consideration by the committee, the Department of Health, Education, and Welfare actually undertook the examination of some 60,000 vouchers. I think it is interesting to note that from that examination it was demonstrated that less than 6 percent of the dollar amount represented by these vouchers consisted of vouchers for amounts of less than $100 and, of course, these are the only vouchers that can be examined under the terms of this legislation. Vouchers for services and supplies or travel where the amount is more than $100 must continue to be examined on an individual basis. It is also interesting to note that out of the total sum of some $25 million accounted for in this total of 60,000 vouchers, there was about $85,000 in mistakes. In other words an examination of these 60,000 vouchers disclosed that some $85,000 in erroneous or illegal payments had been made. But the vouchers of under $100 represented only 7 percent of the errors, or out of the total sum of $85,000 the mistakes traced to the particular category of vouchers of under $100 cash amounted to only $5,600. Yet it was costing something like $34,000 of the taxpayers' money to examine individually all of these vouchers of under $100. It obviously does not make much sense to spend $34,000 to recover $5,600 in erroneous payments. I repeat, I think this bill can result in some very worthwhile savings to the taxpayers of this country.

One of the agencies or one of the departments of Government, the Department of Agriculture, estimated that annual savings of perhaps as much as $400,000 or $500,000 a year could accrue from a consistent use of statistical sampling in the audit and examination of vouchers originating in that Department.

I think the Department of Health, Education, and Welfare expressed the belief that by the use of statistical sampling they might achieve annual savings of around $268,000.

One of the things I think the Committee on Government Operations could do, and I hope it will do, is to follow up this legislation and make sure that this money is really being saved and that when people are taken off the jobs of examining each of these vouchers on an individual detailed basis that this is reflected in some actual savings in payroll of that particular department or agency.

I see the chairman of the Committee on Government Operations, the gentleman from Illinois [Mr. DAWSON], sitting on the other side of the aisle and nodding in approval. I take that to mean he agrees that one of the jobs of this committee is, in addition to reporting out this legislation, to follow up and making sure that we do achieve the kind of savings that we have been talking about in presenting this matter before the House today.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. ROSENTHAL] that the House suspend the rules and pass the bill H.R. 10446, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TO CHARTER BY ACT OF CONGRESS THE PACIFIC TROPICAL BOTANICAL GARDEN

Mr. FORRESTER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1991) to charter by Act of Congress the Pacific Tropical Botanical Garden, with amendments.

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,

CREATION OF THE CORPORATION

SECTION 1. The following persons: Henry Francis duPont, Winterthur, Delaware; Deane Waldo Malott, Ithaca, New York; Horace Marden Albright, Los Angeles, California; Robert Allerton, Kauai, Hawaii; and Paul Bigelow Sears, New Haven, Connecticut; and their successors, are hereby created and declared to be a body corporate by the name of Pacific Tropical Botanical Garden (hereinafter referred to as the "corporation") and by such name shall be known and have prepetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. The persons named in section 1 shall be the incorporators of the corporation and members of the initial board of trustees and are authorized to complete the organization of the corporation by the selection of other trustees and officers, the adoption of bylaws, not inconsistent with this Act, and the doing of such other acts necessary to carry into effect the provisions of this Act.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation shall be—

(a) to establish, develop, operate, and maintain for the benefit of the people of the United States an educational and scientific center in the form of a tropical botanical garden or gardens, together with such facilities as libraries, herbaria, laboratories, and museums which are appropriate and necessary for encouraging and conducting research in basic and applied tropical botany;

(b) to foster and encourage fundamental research with respect to tropical plant life and to encourage research and study of the uses of tropical flora in agriculture, forestry, horticulture, medicine, and other sciences;

(c) to disseminate through publications and other media the knowledge acquired at the gardens relative to basic and applied tropical botany;

(d) to collect and cultivate tropical flora of every nature and origin and to preserve for the people of the United States species of tropical plant life threatened with extinction; and

(e) to provide a beneficial facility which will contribute to the education, instruction, and recreation of the people of the United States.

POWERS OF CORPORATION

SEC. 4. The corporation shall have the following powers:

(a) to sue and be sued, and to complain and defend in any court of competent jurisdiction;

(b) to adopt, use, and alter a corporate seal;

(c) to choose such trustees, officers, managers, agents, and employees as the activities of the corporation may require;

(d) to adopt, amend, and alter bylaws, not inconsistent with the laws of the United States of America or of any State in which the corporation is to operate, or of the District of Columbia, for the management of its property and the regulation of its affairs;

(e) to make contracts;

(f) to take and hold by lease, gift, purchase, grant, devise, or bequest, or by any other method, any property, real, personal, or mixed, necessary or proper for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State or the District of Columbia (1) governing the amount or kind of such property which may be held by, or (2) otherwise limiting or controlling the ownership or any such property by a corporation operating in such State or the District of Columbia;

(g) to transfer, convey, lease, sublease, mortgage, encumber, and otherwise alienate real, personal, or mixed property;

(h) to borrow money for the purposes of the corporation, issue bonds or other evidences of indebtedness therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of the Federal and State laws or to the laws of the District of Columbia; and

(i) to do any and all acts and things necessary and proper to carry out the objects and purposes of the corporation.

BOARD OF TRUSTEES

SEC. 5. (a) Upon enactment of this Act, the trustees of the corporation may select additional persons to serve as members of the board of trustees. The total number of trustees shall not exceed fifteen. The incorporators of the corporation shall each serve on the board of trustees for a term of at least three years.

(b) Except for the foregoing provision, the board of trustees of the corporation shall be selected in such manner and shall serve for such time as may be prescribed in the bylaws of the corporation.

(c) The board of trustees shall be the managing body of the corporation and shall have such powers, duties, and responsibilities as may be prescribed in the bylaws of the corporation.

OFFICERS

SEC. 6. (a) The officers of the corporation shall be a president, one or more vice presidents, a secretary, a treasurer, and such other officers as may be authorized by the bylaws of the corporation.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the bylaws of the corporation.

PRINCIPAL CORPORATE OFFICE AND TERRITORIAL SCOPE OF CORPORATE ACTIVITIES; RESIDENT AGENT

SEC. 7. (a) The corporation initially shall have its principal office in the District of Columbia and later at such place as may be determined by the board of trustees. The corporation shall have the right to conduct its activities in the United States and elsewhere but shall establish a tropical botanical garden or gardens only in the United States.

(b) The corporation shall maintain in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 8. (a) Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide.

(b) Each member of the corporation, other than honorary and associate members, shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

AUDIT OF FINANCIAL TRANSACTIONS; REPORT TO CONGRESS

SEC. 10. (a) The accounts of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than six months following the close of the fiscal year for which the audit is made. The report shall set forth the scope of the audit and include such statements, together with the independent auditor's opinion of those statements, as are necessary to present fairly the corporation's assets and liabilities, surplus or deficit with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement

of the corporation's income and expenses during the year including (1) the results of any trading, manufacturing, publishing, or other commercial-type endeavor carried on by the corporation, and (2) a schedule of all contracts requiring payments in excess of $10,000 and any payments of compensation, salaries, or fees at a rate in excess of $10,000 per annum. The report shall not be printed as a public document.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its board of trustees, and committees having any of the authority of the board of trustees. The corporation shall also keep at its principal office a record of the names and addresses of its members entitled to vote.

All books and records of the corporation shall be open for inspection by any member of the corporation or his agent or attorney for any proper purpose at any reasonable time.

DIVIDENDS

SEC. 12. The corporation shall have no power to issue shares of stock or to declare or pay dividends.

USE OF INCOME; LOANS TO OFFICERS, TRUSTEES, OR EMPLOYEES

SEC. 13. (a) No part of the income or assets of the corporation shall inure to any member, officer, or trustee, or be distributable to any such person during the life of the corporation or upon dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation to officers of the corporation in amounts approved by the board of trustees of the corporation.

(b) The corporation shall not make loans to its officers, trustees, or employees. Any trustee who votes for or assents to the making of a loan to an officer, trustee, or employee of the corporation, and any officer who participates in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

USES OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 14. Upon dissolution or final liquidation of the corporation, all assets remaining after the corporation's liabilities have been satisfied, shall be distributed to the United States Government, to be administered by the Secretary of the Interior under the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented, or to a State or local government to be used for a public purpose, in accordance with the determination of the board of trustees, consistent with the purposes of the corporation, and in compliance with the charter and bylaws of the corporation and Federal and State laws.

NONPOLITICAL NATURE OF CORPORATION

SEC. 15. The corporation, and its officers and trustees as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

EXCLUSIVE USE OF NAME

SEC. 16. The corporation shall have the sole and exclusive right to use and to authorize the use of the name "Pacific Tropical Botannical Garden."

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 17. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FORRESTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a bill which has come to us from the Senate side. It has for its purpose the incorporation of the National Tropical Botanical Garden. The bill is for the purpose of establishing in the State of Hawaii a tropical and semitropical botanical garden to be established and operated through private gifts and without the need for appropriation or expenditure of Federal funds.

The Architect of the Capitol, the Secretary of Agriculture, and the Department of the Interior have indicated that they have no objection to this legislation and that it is acceptable to them.

When this bill came before the House Committee on the Judiciary, the committee took note of a suggestion on the part of the Secretary of Agriculture that there was another botanical garden located in the State of Florida, and possibly others elsewhere, and we, therefore, doubted the wisdom of using the word "National." Consequently, the bill has been amended so that instead of it being the National Tropical Botanical Garden, it is to be the Pacific Tropical Botanical Garden.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I should like to ask the gentleman from Georgia a question. Why is a Federal charter necessary for the establishment of a botanical garden in the State of Hawaii?

Mr. FORRESTER. The incorporators believe, and the Judiciary Committee agreed with them, that it is on account of the fine purposes involved.

Mr. GROSS. On account of what? I could not hear the gentleman.

Mr. FORRESTER. On account of the fine purposes.

Mr. GROSS. The fine purposes?

Mr. FORRESTER. Yes. They are going to develop tropical, semitropical, and other plants and herbs and so forth to benefit agriculture and other branches of industry in this country. They felt it ought to have the recommendation of and the stamp of approval of the Congress of the United States.

Mr. GROSS. The gentleman mentioned agriculture. Is the Hawaiian botanical garden going to make a contribution to agriculture?

Mr. FORRESTER. They say it will. They say they are going to produce a lot of herbs and plants that are edible. I believe they will. That is one of the laudable purposes.

Mr. GROSS. I still have not heard any really good reason for a Federal charter for a botanical garden in Hawaii, or anywhere else, for that matter. Perhaps someone can enlighten me.

Mr. MATHIAS. Mr. Speaker, will the gentleman from Georgia yield to me?

Mr. GROSS. I happen to have the time. I will yield to the gentleman from Maryland, if he can make a contribution to this question.

Mr. MATHIAS. I should like to point out that there was a helpful letter before the committee, from the Department of the Interior, which listed three specific practical benefits which would come from the establishment of this corporation. These are not esthetic, and do not mean merely looking at orchids, or something of that kind. I will say that I might share the misgivings of the gentleman from Iowa if we were limited to only esthetic aspects of tropical plantlife.

As appears in the committee report, on page 6, the Department of Interior feels:

> First, the increased knowledge of tropical plantlife will enable the people of the tropics to undertake land-use planning in terms of ecological relationships and on a much more sophisticated level than is possible with present knowledge. The need for prudent management and use of the land and plant resources of the tropical regions of the world becomes greater with the increasing population in these regions.
>
> Second, tropical plants are an important source of the world's carbohydrate production and plant carbohydrates will help meet food requirements of increasing populations in other parts of the world as well as in the tropical regions. The production of tropical plant products will also aid the economic development needed in the tropical regions.
>
> Third, the research and educational activities of the tropical botanical garden will help to alleviate the current shortage of trained experts in the fields of tropical botany, horticulture, and agriculture. These experts are urgently needed to cope with the problems mentioned above.

Mr. GROSS. Can the gentleman give me one good reason why all this cannot be done without a Federal charter?

Mr. MATSUNAGA. Mr. Speaker, will the gentleman from Iowa yield?

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

Mr. MATSUNAGA. In answer to the question of the gentleman from Iowa, I point out that the reason why we are asking for the congressional charter is that the corporation will serve a national purpose. Its purposes will be for the benefit of all the people of the United States, not merely the people of Hawaii, if the garden is established in Hawaii.

Mr. GROSS. May I ask the gentleman this question: Is there any reason why it cannot serve a national purpose without a Federal charter?

Mr. MATSUNAGA. A Federal charter is required for the reason that we are seeking to have this established and operated by private gifts and endowments and, in order to get private gifts and endowments, we would have a better chance if the charter were Federal and not merely a State charter.

Mr. GROSS. There is a privately operated botanical garden in the State of Florida. They are not in here asking for a Federal charter.

Mr. MATSUNAGA. In answer to the gentleman's question, we might read a part of the report of the Department of the Interior which says:

> We believe that a need exists in the United States for a tropical botanical garden of this kind. There is presently none of national scope or influence and the temperate region botanical gardens (such as those at St. Louis, Mo., and Los Angeles, Calif.) cannot fulfill the function of a center for the study of tropical botany.

Mr. GROSS. Wait a minute. You are operating on my time. How about the one in Florida?

Mr. MATSUNAGA. It does not serve a tropical purpose. It serves a semitropical one.

Mr. GROSS. Why not?

Mr. MATSUNAGA. Because we have different climatic conditions in Hawaii in that we have all-year-round temperature ranging around 75° to 76° and above, whereas it has been known in Florida to get below the freezing level at times.

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

Mr. GROSS. Yes. I yield to the gentleman from Florida.

Mr. CRAMER. Being that the name of the great State of Florida has been brought into this—and I refer to the Fairchild Tropical Garden in Florida—I think the record should be clear on this. Secretary Orville Freeman, with whom I do not agree too often, although I do in this instance, states in the report on page 5:

> One, the Fairchild Tropical Garden, an important research institution, now exists in Florida. However, we question the propriety and wisdom of giving the corporation proposed by H.R. 9893, the exclusive right to the name "National Tropical Botanical Garden," when the garden will be privately controlled and in all likelihood confined to one State. Such exclusive use would seem to give predominance to a privately controlled tropical botanical garden over the present privately controlled tropical garden in Florida and any other that might be established elsewhere in the United States by the Federal Government or any State government, or private group.

Of course, I say that the bill itself has been amended to change the name from National to Pacific. I wonder, then, if it would not be in order to suggest perhaps the Florida tropical gardens should likewise be included in such a proposal rather than showing preference for one tropical garden over another. I join in the question of the gentleman from Iowa as to why a private garden needs such national incorporation and why they should consider one tropical garden to the exclusion of all others.

Mr. GROSS. I am afraid—and I say this with all respect—the Committee on the Judiciary did not do its homework very well, because I have yet to have anyone on the committee give me a good reason why you are expecting a Federal charter for this one botanical garden. I cannot help but wonder if this is not the well-known foot in the door. There was a bill before the House not too many years ago which I had the pleasure of helping to sidetrack. It was a bill to provide for a botanical garden in Hawaii. If I remember correctly, it called for a good many thousands of dollars to come out of the Federal Treasury for that botanical garden in Hawaii. I cannot help but wonder if this is not a foot in the door leading to the granting of a Federal charter so as to pave the way for others to get their hands into the Federal Treasury for some money.

Now I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Speaker, to answer the question raised by the gentleman from Florida, the Fairchild Botanical Garden of his State has not opposed granting of a charter here. It only opposed the use of the word "national" and it was for that reason we changed it from "national" to "Pacific." Further to answer the question raised by the gentleman from Iowa I can assure him that if there is any request for any Federal funds I shall join the gentleman from Iowa in opposing such a proposition.

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

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

Mr. FORRESTER. Mr. Speaker, I would like to say in reply to the gentleman from Florida [Mr. CRAMER] that one reason why Florida was not considered in this bill is because the gentleman from Florida [Mr. CRAMER], did not ask for it. Legislation of this kind comes up as a result of people asking for the introduction of a bill. The gentleman is a very valuable member of the House Committee on the Judiciary and doubtless was there when this bill was passed out of the committee.

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

Mr. GROSS. I am glad to yield to the gentleman from Florida.

Mr. CRAMER. So far as I know the Fairchild Tropical Garden in Florida is not asking for a Federal charter in order to collect funds which many people would think was under the sponsorship of the Federal Government, because it had a Federal charter. So far as I know, the tropical garden in Florida is not asking for such a Federal charter and is not asking for the implication of Federal assistance that results from the granting of such a Federal charter. The people of the State of Florida traditionally do not ask for such assistance.

I would suggest to the gentleman that that is the reason why we have not had a request from the State of Florida. The gentleman from Georgia knows full well that I seldom differ with him. I would suggest to him that it appears that this legislation and the objectives of it obviously are to get a national corporate charter in order to collect private funds. Florida has not asked for such permission. I just wonder if this would not establish a precedent that would permit the State of Florida or any other State to come in and ask for such a Federal charter in order to collect funds privately to accomplish many objectives, not only those that relate to this proposal, but many others.

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

Mr. GROSS. I yield to the gentleman to answer the question.

Mr. FORRESTER. Mr. Speaker, let me say this to the gentleman. I certainly do not know whether anyone is going to come up to the committee and ask for a charter, or ask for money because they have a national charter. If they come up here and ask for money, then we will be confronted with the question whether we want to give it to them or not. There is not the question of money here. This is simply a question whether or not you are going to grant a national charter to these people who are asking for this incorporation.

If you will notice the five men whose names are here as sponsors I think you will have to agree that they are responsible and prominent men. The purpose here seems perfectly laudable and I certainly cannot see any reason on earth why a national charter should not be granted. And I do not think the gentleman did when we voted it out of the Committee on the Judiciary.

Mr. GROSS. Mr. Speaker, I would like to ask the gentleman a question. Is there any other botanical garden holding a Federal charter, and if so, where?

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

Mr. GROSS. I yield.

Mr. CRAMER. The gentleman from Georgia can undoubtedly answer that question. I do not know of any other botanical garden that is federally chartered.

Mr. FORRESTER. Mr. Speaker, I do not know whether there is one, but, to say the least of it, there has got to be a first time for everything, as I understand it. I do not see any reason why you cannot grant this charter.

The Department of Interior sees no reason why we cannot do it. The Department of Agriculture does not object to it. The Architect of the Capitol does not object to it. I have not heard of any objection from anyone until I heard from the gentleman from Iowa [Mr. GROSS].

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

Mr. GROSS. Yes, I yield further to the gentleman from Florida.

Mr. CRAMER. I understand there is a U.S. Botanical Garden in Washington presently in existence. Of course that comes under the operation of the Federal Government exclusively.

But may I ask the gentleman from Georgia this question? Will it be in order in the future for not only the Fairchild Tropical Garden in Florida but such other tropical gardens that may see fit to organize in the United States to use this as a precedent to come in and ask for a national corporate charter based upon which they can then go out and collect private funds?

Mr. FORRESTER. If the gentleman from Iowa will yield further, let me say this to the gentleman from Florida. I believe with the persuasiveness of the gentleman from Florida [Mr. CRAMER] as a member of the House Committee on the Judiciary he would not need this as a precedent. I believe the gentleman probably might get his bill passed if he were interested in securing the passage of one.

Mr. CRAMER. If the gentleman from Iowa will yield further, my interest is to try to determine what future precedent we are setting and why the tropical garden in the Pacific area was considered and why other areas were not considered at the same time.

Mr. FORRESTER. We cannot impose a charter on you. You have not asked for one. If you will ask for it, I think we will give it to you.

Mr. GROSS. Mr. Speaker, I thought the gentleman from Georgia was going to answer the question. He said that he

would answer the question which I previously asked on his time.

Now, if necessary, I will ask the question again but I thought the gentleman from Georgia was going to answer the question of the gentleman from Florida [Mr. CRAMER].

Mr. FORRESTER. Mr. Speaker, if the gentleman will yield, I did say I was going to do it.

Mr. GROSS. Then I would like to hear the answer to the question.

Mr. FORRESTER. I thought I had answered it. I said to the gentleman from Florida that with his persuasiveness and being a member of the Judiciary Committee I thought he could get a charter, whether we pass this bill or whether we do not. I believe that is right.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Is the gentleman saying that this creates a precedent or does not create a precedent?

Mr. FORRESTER. I am saying that it is not creating anything. You can stand on your own feet and take them as they come up.

Mr. GROSS. Is the gentleman saying if a request is made at a later date—of course, the gentleman from Georgia is leaving the Congress at the conclusion of this session and I regret he is and therefore the question is perhaps a little moot—but does the gentleman think that the botanic garden or those who operate it in Hawaii will be in here asking for money at some future time?

Mr. FORRESTER. If the gentleman will yield further; certainly; I cannot answer that question any more than the gentleman from Iowa can answer it. However, the gentleman from Iowa is coming back and the gentleman from Iowa will be able to look after that at that time.

Mr. GROSS. The gentleman from Georgia knows that they were here once asking for Federal funds for a botanical garden in Hawaii, does he not?

Mr. FORRESTER. What was that?

Mr. GROSS. The gentleman knows they were here once asking for funds for a botanical garden in Hawaii, does he not?

Mr. FORRESTER. If the gentleman will yield further, I never knew anything about it and I never heard of it.

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

Mr. GROSS. Yes, of course.

Mr. MATSUNAGA. If the gentleman will look at the bill itself the gentleman will find that it makes no provision for the establishment of a tropical botanical garden in Hawaii.

Mr. GROSS. I understand.

Mr. MATSUNAGA. It leaves it to the discretion of the board of trustees which will be created by this bill.

Mr. FORRESTER. Mr. Speaker, I yield such time as he may consume to the gentleman from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. Mr. Speaker, I rise in support of S. 1991 and urge the suspension of the rules for its immediate passage. This is a companion measure to a bill which I introduced, H.R. 9893.

Mr. Speaker, all that this legislation proposes to do is to authorize the chartering of a nonprofit corporation for the purpose of establishing and maintaining somewhere in the United States a tropical and semitropical botanical garden or gardens through private gifts and endowments.

Both the Department of Agriculture and the Department of the Interior have recommended passage of this bill. Some 49 different organizations have gone on record in favor of the establishment of a national tropical botanical garden for the United States. These organizations include the American Association for the Advancement of Science, the American Institute of Biological Science, the Missouri Botanical Garden, the National Audubon Society, the National Council of State Garden Clubs, the National Parks Association, the National Wildlife Federation, the New York Botanical Garden, the Society for Economic Botany, the University of California Botanical Garden, and the University of Hawaii.

No Federal funds or expenditures are being requested; yet the proposed garden will serve an important national purpose and the people of the entire United States will be benefited. No existing garden is large enough or situated in an area sufficiently tropical to permit the wide range of experiments contemplated.

The question of need for a garden of the type proposed has already been carefully explored. The Agricultural Research Service of the U.S. Department of Agriculture undertook a feasibility study on this very question, and in March 1962 released a report of its careful and thorough study which concluded that there was a national need for such a garden. Similarly, the Botanical Society of America undertook a study of the question and came out with a report which disclosed "an urgent need" for the establishment of a garden of the type proposed. It is noteworthy that both studies recommended that the garden be located in Hawaii.

At the garden, fundamental research in tropical botany would be encouraged along with experiments in the use of tropical flora in agriculture, forestry, horticulture, medicine, and income-producing commerce. The garden would preserve species of tropical plant life threatened with extinction and would provide a facility for the education, instruction, and recreation of interested Americans.

The increased knowledge of tropical plant life which will come from the establishment and maintenance of the botanical garden will enable the people of the tropics to undertake land use planning in terms of ecological relationships on a much more sophisticated level than is possible with present knowledge.

Tropical plants are an important source of the world's carbohydrate product and their development will help meet food requirements of the ever-increasing populations in other parts of the world as well as in the tropical regions. The production of tropical plant products will also aid in the economic development of the tropical regions which presently seek U.S. assistance.

In the field of medicine, too, the garden can offer a most useful service. Medicinal plants have already led to the discovery of cortisone and its derivatives, sex hormones, high blood pressure reducers, and tranquilizers. Muscle relaxants, appetite stimulants and depressants, and new antibiotics are being searched for in plant materials by medical researchers. The proposed garden will be of tremendous assistance and facility in this important field.

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

Mr. MATSUNAGA. I yield to the gentleman from Ohio.

Mr. SECREST. To me there is only one distinction here, and only one. This is a nonprofit corporation. If this were a profit corporation to which we were giving a national charter I would oppose it 100 percent, but I see nothing in this but only good for the future.

Mr. MATSUNAGA. I thank the gentleman for his kind remarks and his support of the bill.

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

Mr. MATSUNAGA. I yield to the gentleman from Florida.

Mr. PEPPER. I want to say we from Florida appreciate the solicitude of our distinguished friend from Iowa, and if we do have any such requests in the future I hope it will be received favorably by him and the House.

The Fairchild Gardens is not in my district. It is in the district represented by my able colleague, the gentleman from Florida [Mr. FASCELL]. It is a private institution which serves a very delightful and stimulating private and public purpose. I have had no notice of any opposition to this bill by the Fairchild Gardens except as mentioned here.

We appreciate the consideration and the opportunity to be heard if we do have any protests or future requests; but as a citizen of Dade County in which Fairchild Gardens are located, I think this bill serves a very laudable public purpose, and I wish to associate myself with the gentleman from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. I thank the gentleman from Florida [Mr. PEPPER] for his expressed support. It is true that the Fairchild Botanical Garden has raised no objection to this bill except for the use of the term "national" in the corporate name.

Mr. Speaker, I cannot see any reason for anyone to object to this bill. We have been trying to get more and more activities of the Federal Government to be undertaken by private industry. Here is a bill which offers private citizens the opportunity to participate in a national project, one which will benefit the entire United States; and because it will create a nonprofit corporation, people will be given an incentive to contribute to this very worthy project. Is there anything bad about that? I agree with the gentleman from Ohio [Mr. SECREST] that only good can come out of this legislation.

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

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

Mr. GROSS. Now it seems they contribute to the botanical garden in Florida. Apparently they are contributing to the botanical garden in Hawaii. Why do you ask for a Federal charter?

Mr. MATSUNAGA. A national charter is being requested here because a national purpose is involved. The botanical garden which is to be established will benefit all of the people of the entire United States. Certainly this ought to be a sufficient criterion for the granting of a national charter. Furthermore, as pointed out earlier by the gentleman from Maryland [Mr. MATHIAS] there is a great shortage of experts in the field of botany. The proposed botanical garden and laboratory will help to train the needed scientific experts not only for the United States but for the entire world. Agriculture, as the gentleman knows, can stand a great deal of experimentation and improvement. This is true in the production of medicinal plants as well as plain food for normal consumption. Granting of a congressional charter will lend prestige to and emphasize the national objectives of the proposed corporation. Surely, we can lend assistance to the dedicated men who are applying for this charter in order that they may better serve a worthy national cause.

Mr. Speaker, I urge the passage of S. 1991.

Mr. FORRESTER. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Speaker, in all fairness to our colleague, the gentleman from Iowa, it should be stated there is not anything this corporation could do, as a nationally chartered corporation that it could not do if it obtained its charter from one of the States. It is a fact of life, and we cannot blur it over.

This is a subject of tremendous national interest. There have been communications which have come to me, and I am sure to other members of the Committee on the Judiciary, from every corner of the United States expressing interest in this corporation. Its educational, research, and scientific activity will be rewarding to the whole of the United States. It will not cost the Federal Treasury a penny. If this work were not done by those public spirited people who are listed as incorporators in the bill, it might have to be done by the Government and the taxpayers.

These are some of the factors, it seems to me, which justify the granting of a national charter to this corporation. I believe that it is a farsighted, far reaching type of corporation that is going to do work that will be rewarding to all the people in this country. That is why the bill received general support in the Committee on the Judiciary and I believe deserves general support here today.

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. GILL] 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 Hawaii?

There was no objection.

Mr. GILL. Mr. Speaker, a main purpose of this bill is to grant some measure of national recognition to this nonprofit corporation so that solicitation of private funds will be more successful. The change in the name from "National" to "Pacific" Tropical Botanical Garden may affect this somewhat because the door is open to a number of other tropical botanical gardens, if they should desire to follow the same route.

The placement of this garden is in the control of the board of directors of the corporation. While it seems likely that it will be placed in the State of Hawaii, there is no absolute requirement that this be done. Further, placement in the State is to be decided by the board of directors. There may have been some misapprehension about this on at least one of the neighbor islands. People interested in placement of the garden should direct inquiries to the board and not to any Government official or agency.

Finally, and most important, I have received assurances from proponents of this project that every effort will be made to prevent duplication of or conflict with botanical research being carried on presently by the University of Hawaii, should the garden be placed in our State. I think it is important that for maximum research results the existing and proposed scientific efforts be coordinated.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 1991, as amended?

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 80, noes 7.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: "An Act to charter by act of Congress the Pacific Tropical Botanical Garden."

A motion to reconsider was laid on the table.

THE 1964 ANNUAL AWARD OF SAVE THE CHILDREN FEDERATION TO SARGENT SHRIVER AND THE PEACE CORPS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MCCORMACK] 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 Oklahoma?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, on Friday, July 17, 1964, the annual award of Save the Children Federation and the Community Development Foundation was presented to Sargent Shriver and the men and women of the U.S. Peace Corps.

Among the previous recipients of this honor were former President Herbert Hoover, and Mrs. Eleanor Roosevelt.

The presentation was made by the organizations' vice chairman, Dr. Howard A. Dawson. Dr. Dawson is chairman of the National Council on Agricultural Life and Labor and its migrant research project board and is a member of the President's Committee on Youth Employment and the Secretary of Agriculture's Advisory Committee on Rural Development.

The citation reads:

> In tribute to the ideals of our late President, John Fitzgerald Kennedy, whose sensitive responsiveness to the worldwide challenges of poverty, ignorance, disease, and international understanding led to the creation of the U.S. Peace Corps, this citation is presented by Save the Children Federation and the Community Development Foundation to Sargent Shriver and the men and women of the U.S. Peace Corps, whose daily acts keep alive the hope and spirit of people everywhere.

Among the many dignitaries present at the ceremony was our own Ambassador Vaughn, now representing the United States in Panama, and formerly director of the Latin American section of the Peace Corps, and Mr. Pierre Calogeras, counselor of the Embassy of Greece.

Save the Children Federation, founded in 1932, is a nonprofit, nonsectarian organization serving children in the United States and abroad, through a program of child, family, and community sponsorships, an international self-help scholarship program, and an annual collection of used clothing for distribution to children in the southern Appalachian Mountains.

The Community Development Foundation was founded in 1959 to carry the work of the federation into the field of community self-help programs. It operates in the United States and in many countries abroad to promote the well-being of people living in the depressed areas of the world, through programs based on the principles of self-help. Foundation self-help programs are founded on the principle that the best way to help people is to help them to help themselves; its goal is:

> To create higher standards of living * * * and conditions of economic and social progress and development, not by the imposition of ideas and methods that are neither wanted nor understood by the people themselves, but by encouraging people to set up self-help projects of their own choosing which will get at the basic causes of their poverty and bring permanent improvements to the lives of their children and neighbors.

Nowhere is the success of the principles of self-help more forcefully illustrated then in Mexico where a community development program was launched in the villages, April 1963, with an agreement signed by the Government of Mexico, the U.S. Agency for International Development, and the Community Development Foundation. This self-help village program, begun in 5 project areas in the 9 States of Durango, Coahuila, Nuevo Leon, San Luis Potosi, Tamaulipas, Zacatecas, Guerrero, Oaxaca, and Yucatan, is presently being expanded to 25 States and 1 territory.

More than 568 village self-help projects, ranging from school construction to the building of complex water systems and hundreds of miles of roads are un-

derway at present in Mexican communities. The men and women of the villages of Mexico are the largest contributors in a great improvement effort to which they will contribute an estimated 3,750,000 man-days of labor. As of March 31, 1964, 28,651 Mexican villagers had already given 639,355 days of labor to community activities. The total value of village work pledged by the Mexican people is $2,178,960. The estimated value of their contribution is equal to 83 percent of the total cost of the community improvement program in Mexico. The Mexican Ministry of Health and Welfare has authorized grants to cover the cost of tools, materials, and equipment. Mexican Government officials, nutritionists, and social workers are working closely with the fundation village counselors, to encourage the people to undertake the self-help projects which they themselves feel are most necessary to the well-being of their families and communities.

More than $1 million worth of U.S. surplus food has been allocated by our Government to the villagers who are planning and carrying out the projects which are bringing lasting improvements to their villages, and providing educational facilities for their children. For each day of labor contributed to a self-help activity, the villagers receive a daily family ration of food for their families.

Foundation counselors, who are given specialized training in community development methods, go into these villages and work closely with the people. Seven of the foundation counselors are graduates of the Peace Corps. These young men are now members of the foundation's counselor corps. They talk with the village men and women to find out where technical help is needed, to explain to them that U.S. surplus food will be provided in return for their contribution of labor to the self-help projects they wish to undertake, and to underline for them the basic fact that community action to combat the basic causes of poverty starts with their own thoughts, decisions, and actions.

In demonstrating how U.S. surplus food can be used so constructively in an Alliance for Progress program which will benefit 10 million men, women, and children, the foundation is performing a most valuable service. Other countries are following this cooperative program with great interest. The foundation is presently training young men in the Dominican Republic so they can administer a similar community self-help program in their country. An agreement for the use of U.S. surplus food in the Dominican Republic is being negotiated by the community development foundation.

The common sharing of responsibility by our Government and the Government of Mexico and a voluntary private agency, working closely with the men and women of Mexico emphasizes the underlying purpose of the Mexican self-help program. Here it can be proven conclusively that the people of the United States and Mexico can work together as partners as well as neighbors. Mexico is the proving ground for the thesis that men and women from all backgrounds and economic levels can progress together, when their talents and ideas are used with proper regard for their dignity and their inherent need to give of themselves. Every day in many countries abroad and in our own U.S. American Indian and southern Appalachian communities, the foundation is helping people to understand that they can raise their standards of living in the underprivileged areas of the world, working side by side and at peace with each other.

Dr. José Alvarez Amézquita, Mexican Minister of Health and Welfare, said in his announcement of the expansion of the Mexican program:

> We are happy to work with the Community Development Foundation because the foundation has recognized that the people of Mexico can make a great contribution to the development of their communities and to our Nation. We have consulted village people who say they will be proud to work on a program where they do not receive food free, but will be making a contribution of service to their community and for Mexico, which is so much greater than the value of the help they will receive.

The Community Development Foundation and Save the Children Federation have offices at 345 East 46th Street, New York City, and in Norwalk, Conn.

THE JOHN FITZGERALD KENNEDY MEMORIAL METROPOLITAN HOUSING PROJECT

Mr. HAYS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a resolution.

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

There was no objection.

Mr. HAYS. Mr. Speaker, the Council of the City of Steubenville, Ohio, has passed a resolution recommending that the nine-story, high-rise apartment building now being constructed for the elderly by the Steubenville Metropolitan Housing Authority be named the John Fitzgerald Kennedy Memorial Metropolitan Housing Project. The Steubenville Metropolitan Housing Authority passed a resolution in accord with this recommendation and the project is now officially named as a memorial to our late President. The council resolution follows:

RESOLUTION 1964–11

A resolution, whereby it is recommended to the Steubenville Metropolitan Housing Authority that the metropolitan housing project's nine-story, high-rise apartment building known as project No. Ohio–14–3 be named the John Fitzgerald Kennedy Memorial Metropolitan Housing Project upon its completion

Whereas during the administration of our late beloved President of the United States of America, the Honorable John Fitzgerald Kennedy, the proper applications and legislation were drafted requesting additional metropolitan housing units to be constructed in the North End of the city of Steubenville, Ohio; that a nine-story high-rise apartment building was part of these units known as Ohio–14–3; and

Whereas it was during the administration of this same President that the proper authority was received from the U.S. Government for the Steubenville Metropolitan Housing Authority to construct in the North End of Steubenville, Ohio, metropolitan housing project No. Ohio–14–3, which also consisted of the nine-story, high-rise apartment building; and

Whereas John Fitzgerald Kennedy, was beloved by all the people of the United States of America, as their President and was a great leader of all the free people of the world, as well as a beloved father and husband; and

Whereas on that infamous 22d day of November 1963, the life of our 35th President of the United States of America, world leader, beloved father, and husband, was destroyed by two bullets fired from a gun of a mad assassin: Now, therefore, be it

Resolved by the Council of the City of Steubenville, State of Ohio:

Section 1. The Council of the City of Steubenville, Ohio, does hereby recommend to the Steubenville Metropolitan Housing Authority that the metropolitan housing project's nine-story, high-rise apartment known as project Ohio–14–3, upon its completion and acceptance by the Steubenville Metropolitan Housing Authority be named and hereafter called "The John Fitzgerald Kennedy Memorial Metropolitan Housing Project."

SEC. 2. That the clerk of this council is hereby directed to enroll a copy of this resolution in the journal of the minutes of this council and he is further directed to forward certified copies of this resolution to the Honorable WAYNE L. HAYS, Congressman, State of Ohio, for enrolling in the journals of the Congress of the United States of America and to the widow of our late, beloved President, Mrs. Jacqueline Kennedy.

Passed: January 14, 1964, Wilmer D. Brashear, president of council.

Approved: January 14, 1964, John W. Targoss, mayor.

WILMER D. BRASHEAR,
President of Council.
JOHN W. TARGOSS,
Mayor.

I, Andrew J. Longo, clerk of council, do hereby certify that the foregoing is a true and correct copy of resolution No. 1964–11 passed by council on January 14, 1964, and same is recorded in council.

REPORT OF INTER-AMERICAN BAR COMMITTEE OF JUNIOR BAR CONFERENCE OF AMERICAN BAR ASSOCIATION

Mr. SCHADEBERG. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. MAILLIARD] 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 Wisconsin?

There was no objection.

Mr. MAILLIARD. Mr. Speaker, I should like to direct the attention of my colleagues to the recent report of the Inter-American Bar Committee of the Junior Bar Conference of the American Bar Association.

I take particular pride in submitting this report for the record because Mr. Michael J. Keady, chairman of the drafting committee, previously served as my administrative and legislative assistant.

Those portions of the report extracted below reveal there is almost no opportunity provided by law schools in the United States for the study of Spanish or Portuguese civil law as it is practiced in South America. By the same token, Latin American law students seldom are

exposed to courses in the common law of North America.

As a member of the Inter-American Affairs Subcommittee of the House Committee on Foreign Affairs, I have constantly advocated measures designed to stimulate greater trade between the Latin American nations and ourselves. I have joined with my colleagues in efforts to foster a mutual understanding of one another's political and social customs and institutions.

At a time when the nations of the Western Hemisphere have made great strides in economic and political cooperation, a greater interchange of legal information would prove beneficial to all concerned.

The following extract from a report of the Inter-American Bar Committee points the way:

REPORT OF THE INTER-AMERICAN BAR COMMITTEE OF THE JUNIOR BAR CONFERENCE OF THE AMERICAN BAR ASSOCIATION FOR 1963–64

The major project with which the Inter-American Bar Committee concerned itself during 1963–64 was a survey to ascertain the extent to which courses on or related to the Spanish or Portuguese civil law of South America are offered in law schools in the United States and as a correlative study, the extent to which courses in law school curriculums in South America contain courses on or related to the common law of North America.

* * * * *

As reported at the midyear meeting of the American Bar Association in Chicago on February 15, 1964, there were at that time four law schools in the United States which interim investigation indicated were especially interested in the subject of South American jurisprudence. These four are Columbia University; the University of Miami, in Miami, Fla.; Southern Methodist University; and Tulane University. Additionally, the University of Puerto Rico, in San Juan, P.R., has courses bearing on this subject. To this should be added the foreign law program at the University of Wisconsin Law School which focuses on legal problems relating to agricultural development in less developed countries. As a part of this program field research is being done in Latin America on problems of tenure in land and water, title insecurity, farm credit, and the impact on land use of regional authorities like CVC in Colombia.

At the present time the consideration of civil law as a separate subject in law schools of the United States is minimal. This point is perhaps best emphasized by the fact that the Directory of Law Teachers (1964) published by West Publishing Co. does not include any identity of foreign law teachers by specific countries taught but instead refers to all teachers of foreign law and the law of specific countries under the general heading of "Comparative Law."

In response to our inquiries about courses offered in South American law schools, replies have been received from the American Embassies in Buenos Aires, Argentina; La Paz, Bolivia; Brazilia, Brazil; Santiago, Chile; Bogotá, Colombia; Quito, Ecuador; Lima, Peru; Mexico City, Mexico; and Montevideo, Uruguay; and from the American Consulates in Rio de Janeiro, Brazil; and São Paulo, Brazil.

The substance of these replies is that there are not any courses offered at this time in any university in South America which deal specifically with the legal and commercial problems created by the laws of the various jurisdictions of the United States except for those offered at the University of Chile. The original of each of these replies and its detailed references to the universities involved are retained in the permanent files of the committee.

Specifically, in Argentina, North American common law is not a part of any curriculum. However, at the Institute of Comparative Law a course on the legal system of the United States is occasionally given to postgraduates.

Insofar as the American Embassy in La Paz can determine, no university in Bolivia offers courses in the common law of North America and this absence is considered an impediment to commercial progress in the country.

In Brazil, though there is no specific course on the common law of North America, the subject is mentioned briefly in the introduction to the science of law course at the undergraduate level and in the courses of comparative public law, comparative private law, comparative penal law, constitutional law, and in the postgraduate course leading to the doctoral degree.

In 1960 the faculty of juridical and social sciences of the University of Chile in Santiago, Chile, recommended that postgraduate courses for judges and lawyers be established on the subject of Anglo-American law. Accordingly, in 1962 a course in Anglo-American law was given under Profs. Boris Kozolchyk of Southern Methodist University and Miguel Otero of the University of Chile. In 1963 a course on the law of North American corporations was given at the University of Chile by Manuel Vargas of the University of Chile. Both of these courses have been well received and it is the opinion of Maximo Pacheco Gomez, a prominent Chilean attorney who cooperated with the American Ambassador to Chile in providing this information, that further courses will be successfully developed.

In Colombia there are not any courses on or about the common law in any university or law school, nor does this subject form part of the study plans in any of the law courses involved.

None of the six Ecuadoran university law schools offer courses in common law as a separate subject. There is a very cursory treatment of common law (a couple of chapters) in the textbooks utilized in the course on the history of law. Similar coverage is given to the subjects of contracts and constitutional law under the Anglo-Saxon system in the Ecuadoran university law school courses on contracts and constitutional law. The lack of coverage of common law in the curriculums of the Ecuadoran university law schools is compensated for somewhat by the presence of some Ecuadoran professors who have received training in American universities in the field of comparative law, and who are likewise members of the Inter-American Bar Association. A total of 18 lawyers in Ecuador have attended such institutions as New York University and Southern Methodist University which offer special graduate training in the field of comparative law. A number of these men are active representatives of North American interests in Ecuador.

No Mexican university law school offers courses on or related to the common law of the United States but the National University of Mexico has an institute of comparative law which undertakes special research assignments in this field.

Courses concerning the common law are not taught in any Peruvian university though according to Maximo Cisneros, the Peruvian equivalent of the president of the American Bar Association, a system similar to our equity is gaining ground in Peru and bears marked traces to common law development.

Nothing relating to North American common law is taught at the university in Montevideo, Uruguay, but through exchange programs our Embassy is attempting to stimulate interest in the legal concepts of the United States and it is hoped that Uruguayan law professors who have been to the United States will return and accomplish this purpose.

Respectfully submitted.

MICHAEL J. KEADY,
Chairman, Inter-American Bar Committee.

WEIGHTED VOTING IN WASHINGTON STATE

Mr. SCHADEBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. WESTLAND] 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 Wisconsin?

There was no objection.

Mr. WESTLAND. Mr. Speaker, a chaotic situation threatens when the next regular session of the Washington State Legislature convenes next January. Legislators, for the first time, will vote on a weighted system. In the Statehouse, the strength for each individual vote will range from roughly one-third to two; in the State senate, the spread will be even greater, ranging from just under one-third to something over three.

This is the result of the U.S. Supreme Court's August 22 per curiam decision in the Washington State case of Meyers against Thigpen, et al., a challenge to the State's legislative apportionment which originated in the U.S. District Court for Western Washington. The Supreme Court's per curiam decision referred to its pilot August 15 decision in the case of Reynolds against Simms, in which the Supreme Court majority held that boundaries for legislative districts of both houses of a given State legislature must be substantially equal on the basis of population.

Interestingly enough, the constitution of Washington State has always required that representation in both the State senate and State house be based on this standard. The State constitution has also required redistricting every 10 years. Thus it must be said that the coming chaos which seems certain to result, is at least in some measure the fault of the Democrat controlled legislature.

But more importantly, it is also the result of the failure of the State's Democrat Governor, Albert D. Rosellini, to call a special session of the legislature to deal with redistricting in the face of the Meyers against Thigpen decision. State legislators have told me they are confident the redistricting issue could have been settled, and they have told me they are in agreement with the U.S. district court's statement that the Governor's refusal to call a special session is totally without merit.

The alternative is to vote under the "weighted system" suggested by the U.S. district court for western Washington. What is interesting to note is that another U.S. district court in New Mexico declared such a plan, adopted by the New Mexico State Legislature, to be unconstitutional.

Nevertheless, 49 Washington State senators and 99 members of the State house of representatives will cast "weighted votes" next January. Were such a system to be adopted by the U.S. House of Representatives, the gentleman from Dallas, BRUCE ALGER, would find his vote given a 2.5-weight; WALTER S. BARING, who, of course, represents the entire State of Nevada, would have only two-tenths of a vote.

These are only examples, but for the Washington State Legislature faced with the "weighted system," the questions they raise are many:

Should the "weighted vote" apply to substantive matters only?

Should it apply to committee votes, as well as votes cast on the floor?

Should it apply to matters of procedure?

Should the pay of State representatives and senators also be "weighted"?

Should the "weighted vote" be split—for example, should the legislator with a vote count of two be allowed to cast one each for the supporters and opponents of a given measure?

Mr. Speaker, the Supreme Court opened the floodgate to these questions when it ruled in 1962, in the now famous case of Baker against Carr, that questions of representation are properly matters for judicial remedy. Unfortunately, the issues that remain unresolved are many, as the Washington State Legislature is likely to discover. And satisfactory "remedies" are not yet in sight.

SUPPORTING H.R. 11865—SOCIAL SECURITY AMENDMENTS OF 1964

Mr. SCHADEBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] 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 Wisconsin?

There was no objection.

Mr. KEITH. Mr. Speaker, although I was necessarily absent during the voting on the Social Security Amendments of 1964, I would like to take this opportunity to state my support of the legislation. Had I been present, I would have voted in favor of the measure.

I was present during most of the debate preceding the vote, and concur in the major provisions of the legislation. I feel that some strengthening amendments could have been made on the floor and regret that this was impossible under the rule. Considering the rise in cost of living during the past few years, I question whether a 5-percent raise in benefits is sufficient. I also question the wisdom of completely ignoring the problem of hospital care for the aged under social security.

However, in spite of the apparent deficiencies, I supported H.R. 11865 and wish to compliment the Committee on Ways and Means for the competent manner in which they handled a most pressing problem.

TAX DEDUCTIONS FOR TEACHERS

Mr. SCHADEBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BROCK] 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 Wisconsin?

There was no objection.

Mr. BROCK. Mr. Speaker, I am today introducing a bill which would allow teachers to deduct the expenses of their own education from income taxes. Its purpose is to offer encouragement toward continued improvement in the quality of education offered our children.

Businessmen are allowed tax deductions for legitimate expenses relating to their business. It is only fair that teachers be given the same treatment under the law.

In most cases a teacher's pay is dependent upon his level of educational attainment, and yet rarely do we offer enough opportunity for these dedicated people to improve themselves and at the same time increase their pay. To me the greatest investment we as a nation can make is in providing young people the best possible education. Our goal can be reached only if we broaden the opportunities available to each person who would serve in this profession.

I hope the House will give this bill thoughtful consideration as soon as possible.

DOUBLE PAY FOR OVERTIME: NO SOLUTION TO UNEMPLOYMENT

Mr. SCHADEBERG. 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 pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, the administration's proposal for double-pay penalties for overtime would not reduce unemployment but it would have adverse effects on the American consumer and on business and labor. The ill-conceived proposal would have an inflationary effect on prices, would speed up use of automation and the elimination of jobs, would injure firms unable to hire more workers, and would encourage more moonlighting by employees. The broad and vague language of the bill indicates that the administration and enforcement of the double pay penalties would be whimsical, arbitrary, and unfair. This spring I testified against this proposal before the Select Subcommittee on Labor and my remarks were in the RECORD, April 6, on pages 6921–6922.

It is gratifying to see that the New York Times has adopted the Republican position of opposition to the double pay for overtime proposal and admits that "there is no magic solution for the problem of unemployment." The newspaper points out inconsistencies in the administration's position and states, as Republicans have said repeatedly:

> The cure lies in sustaining a high rate of economic activity along with expanded education and retraining programs to give the unskilled new opportunities to find employment.

I would like to include here in the RECORD the July 27 editorial from the Times:

[From the New York Times, July 27, 1964]

THE OVERTIME SOLUTION

The administration is beguiled by the idea that raising overtime pay will help to cure unemployment. Secretary of Labor W. Willard Wirtz contends that increasing overtime rates will provide millions of hours of work, presumably absorbing a major portion of the jobless.

This proposal is no more realistic than organized labor's demand for reducing the workweek, which the administration has rightly rejected. Increasing overtime pay from one and a half to double time would greatly increase costs, leading to a shrinkage of profit margins and cutbacks in production. It would accelerate the introduction of automation, because there is a shortage of workers in many industries in which overtime now prevails; rather than take on inefficient or untrained personnel, they would seek to cut down on their use of labor. It would reduce productivity and bring about price rises.

The administration itself recognized that pressure on prices would result from the proposal to shorten the workweek, which makes it difficult to understand its persistent support of a different device that would have similar impact. The explanation seems to be that Mr. Wirtz is simply going through the motions. For if Congress approved his solution, the achievement of noninflationary growth—which the administration has helped to promote and takes so much pride in—would be a thing of the past.

Mr. Wirtz and other administration officials must know by now that there is no magic solution for the problem of unemployment. They once thought it would vanish with the advent of tax reductions; they now are raising false hopes with specific but similarly unrealistic nostrums. The cure lies in sustaining a high rate of economic activity along with expanded education and retraining programs to give the unskilled new opportunities to find employment. The overtime solution is no solution at all, but as long as it receives support in such high quarters it will detract from other more meaningful and concrete efforts.

THE A B C'S OF AMERICA'S MONEY SYSTEM

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 60 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter and material in tabular form.

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

There was no objection.

SPECIAL ORDERS GRANTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the special order granted to me for tomorrow be canceled and that I may address the House for 60 minutes on Monday, August 17, and

Tuesday, August 18, and to revise and extend my remarks and to include extraneous matter.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that any interruptions in the course of my speech may be printed in the RECORD following the full text of the speech.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, first I will indicate the table of contents of my speech as follows:

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How Monetary Policy Affects Employment.
How Money and Credit Are Created.
The Fed Spends Taxpayers' Money in Odd Ways.
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The "Tax and Loan Account" Gimmick.
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Majority of Subcommittee's Recommendations.
The Importance of Grassroots Support.
What Each Good American Can Do To Help.

Mr. Speaker, this is the story of money, monetary policy, and a unique American institution, the Federal Reserve System. It is the story of who—what forces—control the supply of money and credit in the United States. It is the story of a radical change in the ebb and flow of money and credit in the 50 years since Woodrow Wilson set up what has become America's central banking system—the Fed. It is the story of what we—as citizens—can do to make money more available and cost less.

Money is more important than any other part of our economy. If a small group controls the money mart, as I have long contended, money is scarce or plentiful, dear or cheap to rent, depending upon this small group's whims, wishes, selfish interests, or public concern. It is this small group that determines whether the people pay high interest rates or low on their farm mortgage, their new automobile, their washing machine, or their split-level. It is the powerful few who have taken authority Congress never intended for them to have who determine whether money is readily available or hard to come by.

In a letter John Adams sent to Thomas Jefferson 2 years before George Washington was sworn in as President, the Massachusetts gentleman wrote:

> All the perplexities, confusions, and distresses in America arise not from defects in their Constitution or Confederation, not from the lack of honor or virtue, so much as from direct ignorance of the nature of coin, credit, and circulation.

The purpose of my remarks today is to show that money and monetary policy is not nearly as complex as the few who control it want the public to believe. I wish to end contemporary ignorance concerning money matters.

Under the Constitution it is the right and duty of the Congress to create money, but when the Congress set up the Federal Reserve System it farmed out its power. As we will see, a limited authority was transferred to the Fed and the commercial banks.

Today the Fed and the commercial banks possess immense power, since they manufacture money which they lend out or use to purchase securities. They are not counterfeiters—they are licensed to manufacture money. This power, if properly used, could work in the public interest. However, the authority has been abused. As I have indicated for many years, they charge the public too much money for money they manufacture.

AMERICANS PAY $75 BILLION IN GROSS INTEREST CHARGES

The American people—according to the Department of Commerce—will pay $75 billion in gross interest charges this year. Eleven of the $75 billion is for annual interest on the national debt. These charges are so high that if the trend continues the day may arrive when it will be true that America cannot afford to spend the money needed for its schools or city and rural area renewal, for mass transit, conservation, recreation or reclamation and for old-age or veterans' compensation or pensions, to name a few. In other words, the more we must pay the moneylenders, the less we have to spend for our national well-being.

The more we are taxed by the moneylenders, the less chance we have to increase our economic growth rate. Unemployment will increase. Business—both manufacturing and retail—is handicapped by high interest charges which they must inevitably pass on to the general public.

While the Federal Reserve and the banks in the past have attempted to justify high interest charges with the excuse that the high rates would hold prices down and stop inflation, in reality they were upping prices by increasing the cost of credit—both for individuals and business institutions. The inflation bunkum has pretty well worn itself out—people will not heed it any longer. The new propaganda by the same controlling financial interests then contended that we had to up interest charges in order to stop our gold flow abroad. And then we heard a lot more hokum to the effect that it would be necessary to increase interest so that American money would not go overseas where interest rates were appealing to the investors because they were much higher than American rates. Such hobgoblins have fortunately been laid to rest, but the next time you hear them remember that they are part of the designed fraud put forth by the moneylending lobby—the American Bankers Association particularly—to make higher interest rates palatable to the American people.

Important and powerful bankers are no different from some important and powerful people engaged in manufacturing automobiles, aluminum, steel, or detergents. They want fewer and weaker competitors. They want to lead the pack, dominate their respective markets.

From our earliest history as a nation, a few bankers have had the ambition to gain control over America's monetary policy. There was old Nicholas Biddle, who had his running feud with Andrew Jackson, and fortunately lost. And then there was the House of Morgan, headed by John Pierpont Morgan, who employed the kid-glove, gold-cane approach to banking in the early decades of this century. Then Andrew Mellon came along in the twenties—a ruthless and corrupt politician-banker who became Secretary of the Treasury—until I nearly had him impeached for using his high office for personal gain. And more recently, there has been the Morgan-Aldrich-Rockefeller banking empire and the giant-sized Giannini Bank of America phenomenon in the West.

THE BEGINNINGS OF THE FEDERAL RESERVE SYSTEM

Ever since 1913 when the Federal Reserve Act was passed, control of the money mart has become more and more concentrated in fewer and fewer hands. How this came about follows in a brief historical sketch of the Federal Reserve System, which was founded in 1913, and became operative the following year. The big bankers did not like the Federal Reserve Act, as enacted, because they were not allowed on the Board to determine the volume of money and interest rates.

The Federal Reserve System was set up because following the panic of 1907 it became clear that an elastic currency and a viable means for transferring reserves among banks was necessary to avert panics and to assure economic stability.

As the then Congressman Alben Barkley stated:

> Against many of their methods (Wall Street) I do complain, and the people of the country have complained, and will continue to complain until the cause for this complaint is removed.

Representative Charles A. Korbly of Indiana, then a Member of the House Banking and Currency Committee, stated in 1913 when the Federal Reserve Act was being considered:

> We have a control by New York banks and New York banking. We propose to break this. We not only propose to break it, but we propose to decentralize it. We propose to scatter it into 12 different sections of the United States. Then it will be a control within a particular section, subject to the power of the Government.

At the beginning the Fed was composed of 12 separate banks, each one an autonomous financial world unto itself. As we will note, today, the power of control has gone full circle—back to Wall Street. A half-century of neglect by the Congress—which has not bothered to look at the operations of the Federal Reserve System—has made it a pliable instrument for a comparatively few mighty bankers.

Parenthetically, at its birth in 1913, the Democrats favored the Fed and the Republicans opposed it. It is noteworthy that today—now that the big banks, mostly in New York, call the tune at the Fed—the Republicans—at least on the House of Representatives Banking and Currency Committee, of which I am chairman—oppose almost any change which would make the Federal Reserve responsive to the President and his economic and fiscal policies.

THE ORIGIN OF THE POWERFUL OPEN MARKET COMMITTEE

In 1923, the bankers in New York formed a committee of five to issue money and buy bonds on the credit of all 12 Federal Reserve Banks.

The committee got permission from the 12 banks to operate, and this they did until 1933 without sanction of law—merely through a "gentlemen's agreement."

The arrangement was not secure because any of the banks—then autonomous—could have gotten out any time it desired. However, it became profitable for all banks.

This committee of five became the first Open Market Committee, which controlled credit by buying and selling Government securities, employing the resources of all the banks combined. It was called an "Open Market Conference," although in reality it was a "closed" market affair because nobody except the few inner-sanctum members knew what was going on.

In 1927, when the McFadden Act was pending, an amendment was inserted which removed the 20-year limitation on the Federal Reserve System. Thus the Fed, set up for a 20-year trial period, became a permanent American institution.

The new law was passed because the big bankers, through their unofficial Open Market Committee, realized that it would be comparatively simple for them to gain control of the Federal Reserve they had originally opposed.

THE BANKERS TAKE OVER IN THE DEPRESSION

In 1933, in the depths of the depression, while the Congress was looking the other way, the bankers were writing a law—playing for keeps this time. Under this law an advisory group was set up consisting of a representative from each of the dozen Federal Reserve banks. Each representative would be a banker, and, the Federal Reserve Board, under the law, could not deal in open market transactions without the request of this group of bankers. But the Board was not satisfied with this situation so a change had to take place. Under the Glass-Steagall Act of 1935, the seven members of the Board of Governors and the New York Federal Reserve Bank president—made a permanent member in the early forties—are designated as 8 of the 12 members of the Open Market Committee. Presidents of the other 11 Federal Reserve banks alternate as the other 4 members of the Open Market Committee for short terms.

Also under Glass-Steagall Act of 1935, the 12 members of the Open Market Committee are permitted to wear two hats. They can be bank presidents and members of the Federal Reserve Board one day, or they can be Open Market Committee members, buying and selling Government securities, tightening or easing credit, responsible only to themselves and God.

Under the original act of 1913 there were seven members of the Federal Reserve Board, including the Secretary of the Treasury and the Comptroller of the Currency, the latter two ex-officio. The other five members were appointed for 10-year terms, one expiring every 2 years. In the 1933 act, the Secretary of the Treasury and the Comptroller were retained, but the other five were appointed on a staggered basis for 12-year terms and finally in the 1935 act, the Secretary and the Comptroller were dropped, and seven members were appointed for 14-year terms, one expiring every 2 years.

There was indeed a method behind these terms of years. The money managers were rigging the tenure so that only one term would expire every 2 years.

Therefore, a President who served two full terms would only get to appoint two members the first 4 years in office. The third would come the first 2 years of his second term and the fourth the last 2 years of his 8 years as U.S. President. Under a recent amendment to the Constitution, no President can serve longer than two terms.

Moreover, our Chief Executive's hands are tied in selecting the Board's Chairman. In the last year of President Kennedy's administration he was allowed to appoint a Chairman of the Federal Reserve Board. Under the Glass-Steagall Act of 1935, he was forced to select the Chairman from one of the seven Board members.

Under the 1935 act, the President of the United States could never get control of the monetary policy of the Government he was elected to head. The Fed and the Open Market Committee could veto whatever economic and financial policies Congress and the President desired if the few insiders so wished.

Of the present seven members of the Board the first expiration date is that of Mr. Balderston, whose term expires January 31, 1966. The second is Mr. Shepardson, whose term expires January 31, 1968. Thereafter the expiration dates extend on up through 1978 as follows: William McC. Martin, Jr., January 31, 1970, A. L. Mills, Jr., January 31, 1972, Dewey Daane, January 31, 1974, George W. Mitchell, January 31, 1976, and J. L. Robertson, January 31, 1978.

In the evolution of the Federal Reserve System, the 11 member banks—aside from the New York bank with its 5,000 employees—have practically gone out of business. Officials and about 15,000 employees of the other 11 Federal Reserve banks are desperate in their efforts to find something to do. At present they are only clearing checks and distributing currency and coin to their member banks. This at a cost of well over $100 million a year to the taxpayers. The fact is, the Federal Reserve Bank of New York is the hub of the working mechanism of the Fed. Alfred Hayes, president of the New York Federal Reserve Bank, receives a salary of $70,000—fixed by the Federal Reserve—not by Congress—although he is paid by the taxpayers. Only the President of the United States receives a higher salary from the taxpayers.

Chairman Martin, of the Board of Governors of the Federal Reserve System, has always insisted that the open market operations are conducted in the New York Federal Reserve Bank but under the direction of the Open Market Committee.

The fact is the New York Federal Reserve Bank has been acting independently—sort of as a "wild card" roving end of the Federal Reserve System. What Coach Martin wants he sometimes fails to get because "wild card" end Hayes decides he wants to do something else and runs with the ball another way.

Under the law everything that is done in the New York Federal Reserve Bank is under the direction of President Hayes. Section 4 of the Fed Act provides that the President "shall be the chief executive officer of the bank * * * and all employees of the Bank shall be directly responsible to him." They are. He is responsible to a Board of Directors—who selected him as President—composed of nine members, six of whom were selected by the private commercial banks.

THE "FOURTH BRANCH" OF THE GOVERNMENT

I have previously mentioned the Open Market Committee—which has been called "the fourth branch of the Government." It meets secretly every 3 weeks—and in these meetings the 7 members of the Federal Reserve Board and the 12 presidents of the Federal Reserve banks determine how much money the people will have. That is, the volume of money and what the interest rates shall be on Government securities. They buy and sell Government securities, and by their actions control the reserves in the more than 6,000 member banks in the Federal Reserve System which have 85 percent of the deposits in the 14,000 banks in the United States. These reserves determine whether money is comparatively easy or hard to come by and whether it is obtainable at beneficial or harmful rates of interest.

It is a fact that the Open Market Committee's actions have created three depressions in the last 10 years—1953–54, 1957–58, 1960–61. Each of these man-made recessions was preceded by tighter money and higher interest rates. We cannot afford any longer for such an expensive group to operate secretly. There should be no mystery whatsoever—no secrecy—concerning the control of money supply, interest rates, or credit. These are matters affecting the public from the time they get up in the morning until they retire at night. For the Federal Reserve and the banker-oriented Open Market Committee to cloak the workings of the money system in a mantle of secrecy is to violate the prime rule of a free society. There is a place for such secrecy only in an authoritarian state.

I do not wish—under any circumstances—to appear as one ready to indict all bankers merely because they happen to be bankers. I know from direct experience that some community bankers are leading citizens of their towns and cities. They are altogether cognizant of their responsibilities. They are also aware of the particular privileges that accrue to them because of their authority in the community to lend or not to lend money.

They are also conscious of the enormous—even abnormal—prosperity that bankers have enjoyed the past few years.

In an article on bank profits in the July 17, 1964, issue of Time magazine, we learn:

> The $312 billion U.S. banking industry is sharing in the current economic advance to a degree that surprises even it. Bankers, in fact, are making more money than ever before. Last week alltime high first-half earnings were reported by several banks, including the two largest ones, San Francisco's Bank of America and New York's Chase Manhattan * * * the Nation's major banks earned 9 percent more in 1964's first half than in the first half of 1963.
>
> Much of the gain came in the kind of loans that bankers like most of all—consumer installment loans, which give them interest yields of 12 percent or more.
>
> The bankers have also been earning more from the $59 billion that they have tied up in Government securities. * * * To further increase their income, the bankers have been switching increasingly from Government securities to municipal bonds, which are tax exempt.

This article by the conservative news magazine in the last paragraph states that bankers complain that "interest payments on deposits are too generous." And they say that my old friend William McChesney Martin worries that the bankers have taken on too many "chancy" construction loans.

But the last sentence is the payoff. Says Time:

> Because the banks have only a small supply of liquid funds, the Federal Reserve now has greater power to tighten up on credit should strong signs of inflation appear.

It seems that Time magazine and WRIGHT PATMAN agree concerning the authority held by the Federal Reserve System. We disagree only on one point: I would end the ability of the Federal Reserve to exercise this authority independently of the Congress and the President. I will wager a longhorn Texas steer that Time would not.

WHY I OPPOSE THE UNCHOSEN FEW

In my congressional career, I have been an implacable foe of those who insist on jacking up interest rates to an excessive degree and thus tightening credit, which most certainly slows up our economic development. Presently I am at war—as you have gathered—with a small coterie of men—primarily from the ranks of the big New York banks—in cahoots with the Fed—the same crowd who controls the American Bankers Association—who have upped interest charges on Government securities since the Roosevelt-Truman era and thus forced the American people to add $40 billion unnecessarily to the public debt. If we had maintained the interest rates in effect prior to the Eisenhower regime, the carrying charges on our entire national debt would be $6 instead of $11 billion per year, and the debt itself would be $270 rather than $310 billion.

I have publicly stated that if these people are able to get away with it they will continue to encourage monetary policies that can lead only to a $600 billion national debt within 15 years at a 6-percent carrying charge amounting to $36 billion per year of the taxpayers' money.

To show how pernicious is the effect of interest increases, one-fourth percent increase in the rate of interest on the national debt would cost the taxpayers approximately $800 million a year.

Now let us look at increased interest costs as they pertain to homeownership. A national farm organization has estimated that home mortgages during the period 1952–63 have cost homeowners $6 billion more than they would have had to pay if the rates had been held to the pre-Eisenhower regime interest rates. This $6 billion alone is enough to cover the capital costs of between half a million and a million new houses for middle and lower income families.

This small but formidable group of tight money, high interest rate devotees I oppose are the insiders who back up William McChesney Martin when he arrogantly pronounces how independent the Federal Reserve System is and must remain—and how wicked the politicians like myself are who want to do away with this mythical independence and instead make the Fed responsive to the President rather than to a bunch of money hucksters. These are the people who want no reform of the Federal Reserve Board. They boast about being insulated against the politicians—Congress and the President—but they do not deny working closely with the big bankers who have the most to gain by their actions.

The Constitution wisely provides that Congress shall coin money and regulate its value for the reason that the Congress and the President, who would control the money, would be accountable to the people, who would have an opportunity to express approval or disapproval at the polls. If monetary matters are left to the Federal Reserve, insulated from the people, then the public will have no way to express its approval or disapproval of their actions.

The fact is an independent Federal Reserve means something that is not in the framework of our constitutional system, which says that Congress will make the laws and the President shall execute them. Those who desire a dictatorship on money matters by a "bankers club"—away from the Congress and the President—are in effect advocating another form of government alien to our own.

As the tight money, high interest clique sees it, it is perfectly all right for the President to be able to appoint his own Secretary of the Treasury and his economic advisers. But it would be "politically mischievous" for him to be able to appoint the head of the Federal Reserve or to find out what goes on in the Open Market Committee meetings.

In other words, those who consider monetary matters hallowed ground are insisting that the bankers control the volume of money and the cost of interest. They contend that the politicians—the people who are elected by the people—are not competent to pass upon the questions involved. But it is perfectly all right for the Congress and the President elected by the people to pass on the use of nuclear missiles, the atomic bomb, the appropriations and expenditures of government, the drafting of the young men into military service and into war, but they are not competent to pass upon monetary matters.

As the money trust sees it, financial matters must be left entirely up to bankers. They alone are qualified to understand the deep mystique of money. Which reminds me that it was Woodrow Wilson, who, when asked by a group of bankers to appoint bankers to the Federal Reserve Board, inquired:

> Which one of you gentlemen would want me to appoint railroad presidents to the Interstate Commerce Commission?

Bankers are people who know how to make loans but little about the science of money as it affects the total economy. In 1913, Congressman Graham, of Illinois, put this idea succinctly:

> The ordinary banker devotes very little of his time to a study of financial systems. He devotes himself rather to the immediate management of his bank.

HOW MONETARY POLICY AFFECTS EMPLOYMENT

For more than 30 years I have believed that monetary policy can vitally affect employment. Early in Franklin D. Roosevelt's first term I introduced a bill which—among other things—called for expanding the money supply "until there is substantially full employment at the wage and price level of 1926." The bill called for expanding the money supply so as to achieve full employment without inflation. I lost that battle, but in 1946 I was the House of Representatives author of the Full Employment Act which made it the responsibility of the President:

> To coordinate and utilize all of the Government's plans, functions and resources * * * to promote maximum employment, production, and purchasing power.

I conceived that this Employment Act would provide the basis for achieving the full employment monetary policy called for in my 1934 bill.

It was my intent when the Employment Act of 1946 was being drafted that the President of the United States should be responsible for formulating monetary policy guidelines. However, following passage of the bill, the controversial question of the Federal Reserve's independence has consistently prevented the President from implementing the act as I had originally intended. Instead, monetary policy has been formulated in a vacuum—uncoordinated a good deal of the time with our fiscal and economic policies and programs. This ludicrous situation must not be permitted to continue.

A letter written by professor emeritus, Seymour E. Harris, famous Harvard economist who served as adviser to Presi-

dent Kennedy, printed July 16 in the Washington Post says in part:

On no issue of economic policy has more nonsense been written than on the independence of the Federal Reserve System. And no one has proclaimed this independence more insistently than Mr. William McChesney Martin, Chairman of the Federal Reserve Board.

If the Government seeks full employment, relative stability of prices, and reasonable balance in international accounts, the Fed would have no alternative but to follow policies that help the Government achieve these ends. This is a must. We cannot afford, in these days of crisis, the luxury of the Executive going one way and the Fed another.

Under President Kennedy, there were threats of restrictive monetary policy; e.g., at one point Mr. Martin would veto the tax cut by not financing the deficit out of additional money.

The Board itself gives too much attention to the wishes of the financial interests. The banks even more so. Financial interests are biased in favor of excessive monetary restriction and high price for their product and restricted supplies. They might do better, though they do not seem to realize it, by selling more at lower prices.

HOW MONEY AND CREDIT ARE CREATED

For the next few moments I would like to discuss how money and credit—which is the same as money—are created. I have already said that commercial banks have the power—along with the Fed—to create or manufacture money. They do so in different ways and for different reasons.

Under the basic rules laid down by the Federal Reserve System, banks may create several dollars of bank deposits for each dollar of reserves which are at the moment credited to their account on the books of the Federal Reserve. For example, say that the Fed has credited a bank with $100 of reserves. And suppose the banks are permitted to create $10 of deposits for each one of reserve, as they now are. This would mean that all banks in the System can create bank deposits by making loans and purchasing investments up to a point where total deposits reach $1,000, or $10 to every $1.

Stated in another way, when the Fed increases a bank's reserves by $100, that bank can lend out $90 in new loans and keep only $10 as reserves. The $90 loan usually will be deposited in another bank, in which case the second bank can lend out $81, retaining approximately $9 as reserve. The $81 created in new loans is then usually deposited in a bank, 10 percent held for reserve and the other $73 is available for new loans. This is the chain reaction of the money-creating process, the net result of which is a 10-for-1 buildup in new money.

The question is raised that since banks make profits from interest they receive from loans and investments, why do they not simply create an unlimited amount of money—making every loan they can place—and buy up all legitimate securities offered. The reason is, the banks are required to hold reserves equal to a certain fraction of their deposits. Without these required reserves, there would be no limit to our money supply, and a rational control of our economic system would not exist.

Now the Fed provides banks with reserves free to permit them to create checkbook money, and it provides these reserves by purchasing Government securities. It could—if it so desired—reduce or even retire all of our publicly held national debt by providing banks with reserves.

But bankers cannot exist without debt. No debt, no money. Government paper is wonderful to have around. The clipping of coupons is profitable—and no risk exists.

However, I would like to see bankers get back into the banking business—paying less attention to high-interest-bearing Government securities and tax-exempt municipals—although they are certainly the keystone of our national economy—and more attention to loaning money at reasonable rates to people and industry—particularly to independent and small businessmen—so that our economy can grow and the trend toward merger and monopoly would be at least retarded, if not reversed.

THE FED SPENDS TAXPAYERS' MONEY IN ODD WAYS

As of today the Federal Reserve holds in its New York vaults, $34 billion worth of Government bonds. The taxpayers—you and I—are paying over $1 billion a year on these securities.

The Fed spends as much of this $1 billion as it wants to for any purpose whatsoever, including $90,000 worth of annual dues to the American Bankers Association. I mentioned earlier that Federal Reserve employees are desperately trying to find something to occupy their time. Some have taken up courses in Shakespeare, sales management, public opinion, metropolitan politics and ethics, art history, and the philosophy of religion; one was even driven to take a course in the sociology of occupation, all at the taxpayers' expense. No one seems to have taken a course in the proper use of the taxpayers' money.

Other employees have found relief in dinner parties—one cost over $4,000, including $25 for a preacher for the invocation and $125 for a comedian—and theater and golf parties—still on the taxpayers' money. Others have taken to travel. One Fed official spent a fortnight in India with his wife; his expenses—$269.10, hers, $7.10—which led one reporter to comment, "He traveled like a Prince, his wife like a coolie." You see, the Fed does not have to go to the Congress for an annual appropriation, since it contends it is independent.

What it does not spend of the $1 billion, it returns to the Treasury.

The bonds which I mentioned a moment ago and which are bought with Government money should either be canceled or the interest turned over to the Treasury Department. These $34 billion in bonds have been paid for once, since the Federal Reserve notes that are printed at the Bureau of Engraving and Printing in Washington were used to buy these bonds. Each Federal Reserve note is a Government obligation, so what the Fed has been doing—and I can think of nothing more ridiculous—is to take one form of non-interest-bearing obligation, a Federal Reserve note, and trade it for another Government obligation consisting of interest-bearing Government bonds, and then require the taxpayers to continue to pay interest on the bonds traded for.

It is my firm belief that since the bonds have been paid for once, they should be canceled. If permitted to remain in effect, the taxpayers should not be required to pay interest on them or the interest should at least go back into the Treasury.

FEDERAL RESERVE OFFICIALS MAKE INTERNATIONAL MONETARY AGREEMENTS

A moment ago I noted the expenses of a high official of the Federal Reserve System in his travels abroad. He is not alone. Many Federal Reserve executives are taking frequent trips abroad at the taxpayers expense—attending monetary conferences and carrying on business with various central banking officials of other nations. As an outcome at some of these meetings, fundamental financial decisions which have a direct bearing on our economy become effective. Agreements are made. There is a possibility that some of these may go beyond the authority granted the Fed officials. They may even be in violation of American constitutional law. I hope that this is not the case, but I must state that it is a distinct possibility.

It is ironic that our committee which would like to find out what is going on at some of these oversea meetings is not permitted to travel outside the confines of the United States. The resolution setting up our prerogatives as a committee states:

Funds authorized for expenses incurred in the committee's activities * * * shall not be made available to the Committee on Banking and Currency for expenses of its members or other members or employees traveling abroad.

Since our committee is the first in 50 years to look into all phases of the Federal Reserve System, it would seem advisable for our members to have the same privilege to travel abroad as officials of the Fed. They would thus be able to investigate what might prove a most revealing facet of the Fed's operation. Such an investment of taxpayers' money could be worth a thousand times its cost.

THE "TAX AND LOAN ACCOUNT" GIMMICK

A major taxpayers' headache connected with our banking world has been called the bankers' bonus. I refer to the "tax and loan account" gimmick.

Hardly known to the general public is the fact that the U.S. Treasury is subsidizing banks every day of the year. Bankers—most of whom are conservative and Republican—like Ed Neilan, former president of the U.S. Chamber of Commerce and head of the Bank of Delaware in the Duchy of DuPont—generally oppose all Government subsidies, except, of course, the ones they receive. The tax and loan account is one of the bankers' principal subsidies.

When Federal income tax is deducted from your salary, the check is made out to the Internal Revenue. The check is returned to the boss' bank, but the money remains right there in a tax and loan account; it is not sent immediately to the Treasury Department although,

eventually, it will be called for by the Government.

In the meantime, this money is loaned out at the going rate of interest by your bank to any qualified borrower, or it may be used to purchase securities—including Government bonds.

Last year an average of $5.3 billion was held by banks in tax and loan accounts throughout the Nation. At 4 percent this means a cost of $212 million annually to the taxpayers. This costs the taxpayers more because the public debt is made higher by the Government's failure to take possession immediately of tax and loan money. It is the taxpayer who has to pay the interest on the additional debt.

It is the contention of the banks that they render service to the Government which cancels out any reasonable interest payments they might make to Uncle Sam for money they loan out from the tax and loan accounts. I would pay the banks for any service they render the Federal Government. I believe, however, that most of the services they talk about are those they must render in order to keep their customers from going across the street to their competitors.

Some day soon I hope that banks, which are so abundantly profitable, will pay the Treasury something for these deposits.

THE BIG BANKERS' LOBBY—THE ABA

Big financial lobbies—like big business lobbies—seldom concern themselves with the public interest. The American Bankers Association is no exception.

A number of years ago, the Buchanan Lobbying Investigating Committee of the House of Representatives divided lobbying into two categories—direct and indirect. The American Bankers Association—as ugly as any lobby in existence—practices both categories to the full.

Direct lobbying is where a paid lobbyist goes to see—or buttonholes in the corridor—a Congressman to give him his song and dance on specific legislation favoring whomever he works for. Indirect lobbying—by far the most insidious type—can and has taken the form of S O S pleas to members of the American Bankers Association to intimidate their Congressman through long-distance calls, telegrams, or letters—damning some bill which might favor the public over banking interests. Or the ABA might ask for affirmative action on another piece of legislation favoring banks vis-a-vis the people.

Not for a moment would I deny the ABA or anyone else the constitutional right of petition. They—like any other greedy lobby—have the unrestricted right to work for legislation inimical to the best interests of the American people. This is a cost we must pay for our freedom. I merely cite how the bankers' lobby operates so that the public may be aware of its activity.

Recently indirect lobbying was used to kill legislation that was very much sought by savings and loan associations and many bankers, particularly small town and small city bankers. This legislation would have increased insurance from $10,000 to $20,000 on individual bank accounts. The ABA lobby—which dances to the tune of the giant banks—went to work asking bankers around the country to yell bloody murder against the increased insurance coverage unless—now get this—there were amendments added to the FDIC bill that would have crippled the savings and loan companies. They even made it appear that the administration was opposed to increasing this insurance. The facts are that the top leadership in the House of Representatives—which does not fight the administration—supported the bill.

Bankers look upon savings and loan institutions as competition. They are envious. If the bankers had been on the ball—if they had remained in the banking business and loaned money to people who need it for houses, farms, and other things—instead of buying non-risk-taking Government securities at high interest rates, they would have enjoyed the billions of dollars worth of mortgage business that now goes to the savings and loan people.

It was this bankers' lack of vision that has served the country well. The savings and loan people have moved into the home mortgage vacuum the bankers themselves created.

One clever means of antipublic action by the bankers' lobby is as subtle as a wart on a movie actress' nose. It takes the form of offering a Congressman bank stock either free or at a cost greatly under the market value. A member of my committee was approached and offered $14,000 worth of bank stock as a gift. I am proud to report that he is of such caliber that he told the would-be donors to get out of his office and stay out—and in language unfit for this occasion.

The bankers' lobby—like others representing giant American interests—is potent and often effective. But with grassroots support as I envisage from the American people, I believe it can be contained. More about this a little later.

OUR SUBCOMMITTEE'S HALF YEAR OF HARD WORK

Now I want to tell you a little about what the Domestic Finance Subcommittee of the Banking and Currency Committee has been doing the first half of this year regarding its extensive investigation of the Federal Reserve System—the most revealing and penetrating investigation that has taken place in the Fed's 50-year existence.

We heard from 50 witnesses. Included among them were the 19 ranking executive officers of the Federal Reserve System, including Chairman Martin; the Secretary of the Treasury; officials of the General Accounting Office; representatives of the American Bankers Association and the Independent Bankers Association; the research director of the AFL–CIO, and 23 experts in the field of economics, public administration, and law. These witnesses were thoroughly interrogated by the members of our Subcommittee on Domestic Finance of the Banking and Currency Committee of the House. In addition, interesting statements and exhibits were included, along with the testimony of witnesses.

These experts were not only eminent scholars but represented a wide range of opinion. Some had been advisers to Presidents Truman and Kennedy. One has served as an economic adviser to Senator GOLDWATER. Several had worked in the Federal Reserve System—one or two were still attached to it as consultants—and they came from all parts of the country.

Despite the great diversity of viewpoint and geography of these 23 experts, there was remarkable and substantial agreement among them about the need for reform, not alone of the Federal Reserve System structure, but also of its basic policies.

No subcommittee in my entire 36 years of congressional experience ever devoted itself more thoroughly and painstakingly to its task. Most recently the majority members representing 8 of the 13 subcommittee members decided unanimously to recommend to the Congress revisions of the Federal Reserve System which would seem to be a must to improve our monetary policy, thereby giving a lift to our national economic performance.

The recommendations of the majority of the subcommittee do not rule out the prospect for further constructive recommendations. In all likelihood these will result when the subcommittee considers its proposals in public hearings after the next Congress convenes in January of 1965. Meanwhile the proposals are being circulated in order to stimulate full study and discussion by the Congress, the executive branch, the Treasury, the Federal Reserve, and, more important than any of these, the people of the United States. A bill embodying the recommendations of the subcommittee will be introduced at the beginning of the 89th Congress in January. This bill, if passed, will put an end to the private control of the Government's monetary affairs.

MAJORITY OF SUBCOMMITTEE'S RECOMMENDATIONS

While I shall not burden you with all of the wordage of the recommendations, I would like to indicate many of the forward steps that were suggested. It was recommended:

First. That the term of the Chairman of the Board of Governors of the Fed be coterminous with that of the President of the United States;

Second. That the number of Governors of the Federal Reserve Board be reduced to five;

Third. That we reduce the terms of office to 5 years and allow for reappointments;

Fourth. That instead of continuing the appointment of bankers, the requirements would state only that the Governors be "men of integrity, devoted to the public interest";

Fifth. That a public audit be made by the Comptroller General of all expenditures of the Federal Reserve Board and the Reserve banks—no Government or independent audit has ever been made of the 12 Federal Reserve banks;

Sixth. That the Federal Reserve stock be retired—member banks own the stock but this is unnecessary any longer since the Fed is and has been since 1935, the central banking system of the United States of America. The stock does not

carry a proprietary interest, and, therefore, it is not stock in the real sense of the word;

Seventh. That all capital gains and interest received by the Federal Reserve from U.S. Government securities be covered into the Treasury as miscellaneous receipts and that all capital losses be covered by the Treasury;

Eighth. That the President be required to set forth in his periodic Economic Reports, recommendations concerning monetary policy, domestic and foreign, including the growth of the money supply necessary to attain the goals of maximum employment and production and purchasing power;

Ninth. That we express the sense of the Congress that the Federal Reserve Board operate in the open market so as to facilitate the achievement of the President's monetary policy; provided that if the Fed's monetary views and actions diverge from those of the President, it shall file with the President and the Congress a statement of reasons for its divergence;

Tenth. That we permit the Federal Reserve to concentrate on monetary policy by transferring its present bank supervisory functions to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or to a newly created Federal banking authority.

It is my belief that if most of these recommendations are translated into law, as I confidently expect, with the help of the American people, the Federal Reserve System will operate as it was originally intended—for the good of the people.

This Nation can no longer afford to have a central banking system that goes its own way while ignoring the President and the Congress.

When the administration determines on a policy of full employment and price stability, the Fed must carry on parallel action and help, not hinder, the achievement of the desired ends.

The Washington Post in an editorial stated not long ago that the "United States is the only great power in which monetary policy is not subject to the firm control of the incumbent administration." The editorial concluded by pointing out that—

> An institution that produces something less than optimal results in the absence of great pressures and that is the spawning ground for a dangerous conflict in time of trouble cannot be tolerated in a world where money and monetary policies really matter. The time for thoroughgoing reform has arrived.

I am attaching the Washington Post editorial, and another informative piece from Business Week at the end of my remarks.

THE IMPORTANCE OF GRASSROOTS SUPPORT

If there is to be any important change made in the working of America's monetary policy—so vital to the well-being of all of us—we are going to have to depend upon the grassroots to demand this change. The big financial community—the banking establishment, you may call it—has been very clever while Congress has slept. While Congress has slumbered the banking lobby—particularly the American Bankers Association and their propagandists—have seen to it that the people have remained either uninformed or misinformed on monetary matters. The business community has been passive, even though it has become a prime victim of high interest rates and tight money policies. Businessmen as well as other Americans must become alert. Do not permit the money changers to increase the tremendous gross interest burden of $75 billion per annum we are already paying.

Now for one or two final observations. Most people assume that money has always been here—that some law of nature guarantees a fixed and unchanging supply. When a public figure like myself suggests that it might be possible to improve our monetary system, some folks react as though I were proposing to meddle with nature or perhaps butcher a sacred cow.

Though I am a consistent and vocal critic of high-interest, tight-money policies, I want to make it abundantly clear that there is no room in my thinking for anything that smacks of unsound credit or unsound money. Both inflation and deflation are tragic in their human consequences.

Despite my pointed remarks concerning many facets of our banking system and of the Fed particularly, our monetary setup has enabled us to create more wealth and thereby do more for people than any other banking system in any other nation in recorded history. Our country has done this despite tight-money, high-interest rate policies and also despite manmade depressions every few years. How much further we could go toward even better standards of living without these unnecessary hindrances.

If any person desires to assist in the crusade to bring back public responsibility to the Federal Reserve System and thus improve our entire monetary machinery, I suggest that he take the following steps:

First. Notify your own Congressman and the two U.S. Senators from your State that you wish to reverse the trend toward high-interest, tight-money policies brought on by a small group that controls our monetary system through the Federal Reserve as now constituted;

Second. Free publications listed below may be obtained by Members of the House and Senate to fill requests of their constituents from the House Committee on Banking and Currency. Requests for single copies will receive first consideration. If the committee's supply should become exhausted, efforts will be made to secure additional printings for free distribution to fill all requests of Members from their constituents. Purchases may also be made directly from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402.

DOCUMENTS ON BANKING PRODUCED BY THE COMMITTEE ON BANKING AND CURRENCY OF THE HOUSE OF REPRESENTATIVES DURING THE YEARS 1963–64

Hearings

"The Federal Reserve System After 50 Years," volume I (January and February 1964): Contains the testimony of five of the seven members of the Federal Reserve Board and of all of the presidents of the 12 Federal Reserve Banks. Price $3.25.

"The Federal Reserve System After 50 Years," volume 2 (February and March, 1964): Contains the testimony of the Secretary of the Treasury, the remaining two members of the Federal Reserve Board, and 18 economists, including several of the Nation's most respected academicians. Price $1.75.

"The Federal Reserve System After 50 Years," volume 3 (April 1964): Contains the testimony of representatives of the commercial banking industry and of a number of outstanding authorities in law, political economy and public administration. Price $2.

Committee prints

"The Federal Reserve After 50 Years" (staff report on testimony, volumes 1, 2, 3), 30 cents (104 pages).

"Study of Federal Credit Programs," (Feb. 28, 1964): volume 1, 75 cents (316 pages); volume 2, $2.50 (904 pages).

"Comparative Regulations of Financial Institutions," (Nov. 22, 1963), $1.25 (432 pages).

"Bank Holding Companies" (May 20, 1963)—40 cents: (140 pages).

"Chain Banking," 20 largest stockholders of the 200 largest member banks of the Federal Reserve System (Apr. 15, 1963), $1.50 (552 pages.)

"Twenty Largest Stockholders of Record of the Other 6,000 Member Banks of the Federal Reserve System". Volume 1, (Fed. Res. Districts Nos. 1 (Boston), 2 (New York), 3 (Philadelphia)), $1.50 (312 pages); volume 2, (Fed. Res. Districts Nos. 4 (Cleveland), 5 (Richmond)), $1.25 (253 pages); volume 3 (Fed. Res. Districts Nos. 6 (Atlanta), 7 (Chicago)), $1.75 (357 pages); volume 4 (Fed. Res. Districts Nos. 8 (St. Louis), 9 (Minneapolis)), $1.00 (221 pages); volume 5 (Fed. Res. Districts Nos. 10 (Denver), 11 (Dallas), 12 (San Francisco)), $1.75 (345 pages).

"A Primer on Money", 40 cents (152 pages).

The "primer" on money mentioned above will be released by the Banking and Currency Committee sometime this week. This document represents information gathered over a period of years and is designed to explain to the average citizen how our monetary system works.

Third. Let me hear from you if you want to be kept informed of the progress we are making regarding an overhaul of the Federal Reserve System. Notify Representative WRIGHT PATMAN, Member of Congress, suite 1136 Longworth House Office Building, Washington, D.C., 20515, to put you on the mailing list to receive future releases.

Fourth. Talk about America's monetary policies and system to intelligent people of your acquaintance who can spread the word.

Fifth. Urge your U.S. Representatives and Senators to join a steering committee that will be organized in January 1965, to cosponsor and push for the passage of a bill that will be introduced at the beginning of the 89th Congress to make the changes in the Federal Reserve Act recommended by the Subcommittee on Domestic Finance.

I have learned from long congressional experience that when the people are behind you, you can accomplish miracles. That is why I am appealing to you. Like every other American you have a stake in seeing to it that the Federal Reserve no longer has a stranglehold over America's monetary policies which makes it mandatory for you to overpay on interest

charges and permits tight money to deprive America of the economic advancement she must have to take care of our growing population in an age of fantastic possibilities. With your help these possibilities can become reality.

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

Mr. PATMAN. I am glad to yield to the distinguished gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. I appreciate the gentleman's yielding. I do not wish to interrupt his train of thought, but I commend the gentleman for the point he has made, that there is no policy more closely related to an expanding and growing national economy than the policy of monetary authorities providing reasonable interest rates and an adequate supply of money in order that the economy may be lubricated and thus expand.

I ask the gentleman if he would agree that in addition to sound fiscal policies, tax policies, and wage and price policies it is absolutely essential, for a growing national economy, that the money supply of the Nation grow from year to year if we are to attain a proper rate of national economic growth.

Mr. PATMAN. I thank the gentleman for his contribution. I agree with him fully. He is one of the ablest members of the Banking and Currency Committee.

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

Mr. PATMAN. I am glad to yield to my distinguished friend and colleague, the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Thank you very much, Mr. Chairman.

Mr. Speaker, at this time I interrupt the distinguished chairman, the dean of our Texas delegation, who certainly has made a most illustrious career in the House as well as in Texas, and particularly in the area of financing.

I rise only because since the speech has been published—and is now being uttered—I have received calls from several members of the press and radio concerning whether I was the person alluded to as a member of the committee in the speech.

Of course, there is a chance that other members of the committee are involved, and I do not wish to take the mantle of purity in an egotistical or exclusive fashion, but I wish to say that the specific amount involved does point to the fact that I had an experience some 11 months ago or a year ago.

That involved a local businessman who made an appointment to see me here in my Washington office, who then proceeded to explain that he thought it would be beneficial to the bank with which he was associated, and to me, whom he considered a struggling "politico", if I would accept a position on the Board of Directors of that bank, because of my popularity—which of course made me feel very good, although I had some inward doubts about the extent of the popularity. He thought it would enhance the business and be a mutually satisfactory arrangement. I pointed out that I was in no other business, and was quite surprised to hear this, and thought he was there on other business. This is a very distinguished gentleman in the community. He stated that they were prepared to help, in this respect. I said I did not know what he meant by that, because I had no money. The people who know me well, and generally those in my district, know I am not a "moneyed" man. I said I could not see how anybody could be a member of a board of directors of a bank without being a stockowner. He said he was prepared, and so were his associates, to let me have $14,000 worth of stock, that it would not cost me anything, that they could make arrangements.

At that point I stopped him. Maybe perhaps I should have listened and gotten all of the details. I told him the reason why I was stopping him was he was wasting his time as well as mine, for the main and simple reason that I would consider it an outright conflict of interest. I said, "Surely you know I am a member of the Committee on Banking and Currency of the House." He replied he did not know that. Of course, this made me a little angry, because I felt as knowledgeable a man as I am sure he is, he must know I am a member. But even assuming he was telling the truth, I told him this—and I repeat it now because I feel that this is a strong personal rule of conduct that each elected representative has, and I have felt this way since I was on the city council of the city of San Antonio and in the senate in the Legislature of the State of Texas—that it was clearcut to me this would involve a conflict of interest and, inasmuch as I was a member of the committee particularly, but even if I were not, inasmuch as the banking industry is regulated and subject to the regulation of Congress, if I had any monetary interest in it, I would feel I had deliberately cut off my ability to serve as a disinterested and impartial Member of this House. I told him it would be a waste of time to consider the matter any further and I would thank him if he would put up whatever he had and forget about it and walk out of the room with that intention, because if I heard anything further, of necessity he would force me to embarrass him. He said he had not looked at it from that angle and from that standpoint, but he said, "Since you say that, I guess you do have a point." I said, "There is no question about it. This would be more than just a conflict of interest, but at the least that is what it would be." I considered that ended, because I had not heard anything more from him. He made no attempt to influence me in my legislative behavior or hold out anything of that nature. I considered it a locally inspired matter and I could not at that moment, because of my limited experience, foresee or know how he could get $14,000 worth out of me even if I were a banker. It is a fundamental question which I believe every man in the House answers for himself in the light of his own conscience and background and beliefs. I had no hesitation in what I had to say and how and when to say it, and I think I did. You asked me over the weekend as to this, saying you had heard this and was it true. I confirmed it most certainly was. I understand since then one of my staff got to bragging about me and that is how it got around. I felt at the time the matter had been hidden. I think I settled it because I felt the burden of responsibility was on me and not on this individual. I felt at the time he was a naive businessman.

As you know, one of the big troubles with a businessman is that so often he cannot tell the difference between the private and the public sectors, but then it is our responsibility clearly to delineate it for him. None of us should be in any doubt whatsoever about how to do it. So I considered the matter terminated in that respect. For that reason I have not divulged the name of the man or the bank, although I am sure now through pure speculation there are good guesses in the district as to whom it could be. However, I must say in the end I am very proud of the fact that I belong to this committee and that I have such a stalwart champion as the chairman for whose integrity, ability, and leadership I have nothing but undivided respect. I will say that in connection with any national lobbying attempt I could not truthfully say that this experience, what happened during this transaction, or anything subsequent, would lead me truthfully to say he was part of a national attempt or a big lobbying effort. I considered it then—and still do, for that matter—as a localized sort of an individual act on the part of perhaps a misguided businessman who might even have had some intention of helping me. I do not know. I do not know the man that well personally. But I do know that in a case of this nature there should not be any doubt whatsoever in the mind of any legislator. It is clearly an area of an open and shut conflict-of-interest case.

Mr. Speaker, I want to thank the chairman of my committee for his very generous remarks concerning my behavior. I do not consider myself particularly virtuous in that respect. But if the day has come when we have to get medals for this kind of decision then we have come to a pretty sorry pass. I feel that many of us in public office have had these decisions to make time and time again. Sometimes they are more tenuous; sometimes they are more in a twilight area. I think what impelled me in this whole transaction were the two key words that he used: One: "This won't cost you anything." And two: "I did not think of this as a possibility of being a conflict of interest."

Because the fact remains that the one test is, Would this proposition have been made if one were not a Member of this House? I think when we answer that question the answer is clear. And I end, as I said in the beginning, by thanking the illustrious chairman of this opportunity to interrupt his speech.

Mr. PATMAN. Thank you, sir. I desire to congratulate you and to commend you for the action that you took. And you took that action quickly, you did not hesitate. I knew that is exactly what you would do. Your integrity sets an example for the whole Nation.

I just want to make this statement. I am very much impressed with what the gentleman from Texas has just said about the behavior of people holding important positions, such as Members of Congress. This country is a great country. Although many people have different ideas and notions as to how to describe our Government precisely, I think that Mr. Madison, who had more to do with the writing of the Constitution than any other one man, had the best definition of it when he said this country is a republic, all right—yes, but it is a democracy. His phrase was, "Our country is a democracy in a republic."

If this great country of ours, a democracy in a republic, ever falls, I predict that conflict of interest will be one of the principal contributing causes.

I think the gentleman set a mighty fine example for the young people of our Nation and for the officeholders in every category, at the local level, school trustee, levy board member, city council, State legislator—all the other bodies in every category. I think it is a fine example that the gentleman from Texas has set. I fear that a lot of people probably would not have been as courageous and as honorable as was the gentleman from Texas [Mr. GONZALEZ]. But I believe that he has rendered a great public service in pointing out the possibilities and letting the people know that there is a time when people should speak up, not only in their own interest, in the particular body in which they are serving, but to set a guideline and standard for others to follow. I certainly commend him for his attitude.

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

Mr. PATMAN. I will be glad to yield to the gentleman from Iowa.

Mr. SCHWENGEL. Mr. Speaker, I have listened with a great deal of interest to this discussion going on now pointing out some inconsistencies and irregularities and some evidence of poor judgment.

I certainly want to commend those who have made this revelation for their noble reaction.

Mr. Speaker, I know the gentleman who has just spoken about the unfortunate experience which he has had. We were on a trip to Europe together several years ago and had some wonderful times, during which time we discussed a lot of things. I know of his sense of dedication and his complete devotion to duty.

I would like to ask the gentleman from Texas, who is making the remarks in the well now and who, too, has some deep convictions about these things, if what happened in the instance just now referred to ought not to happen more often in public life? Ought we not to attempt from time to time to make known these experiences so that those people react, as people should react in this kind of situation, are known and have an opportunity to be applauded and, maybe, set an example for other people to do this more often?

I recall some things that have happened around here on the other side of the Capitol which in my opinion were rather unsavory.

I wonder if the gentleman from Texas who is so worried about the question of morality would be willing to speak about some of these things that have bothered some of us? While it bothered some of us, we have been, I think, unfairly criticized for having raised certain questions. Would it not be well for us to talk about those things as well?

Does the gentleman care to talk about some of these irregularities and some of those things that have happened in his own State, as he knows?

Mr. PATMAN. I want to thank the distinguished gentleman from Iowa [Mr. SCHWENGEL] for his remarks.

I am not inclined to leave the speech that I am making for the purpose of elaborating on things that are alleged to have happened in the other body at this time. But when the other body had the resolution under consideration a couple of weeks ago, before it was postponed 2 weeks, I suggested that it would be a fine thing if it were made a concurrent resolution so the House could join in it, because I was in agreement with what the Rules Committee was attempting to do over there, and I feel sure that the gentleman from Iowa would approve that resolution.

So, that is as far as I would like to digress at this time.

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

Mr. PATMAN. I am happy to yield to the distinguished gentleman from Florida.

Mr. PEPPER. Mr. Speaker, I do not wish to interrupt the very able and learned address that the distinguished chairman of the House Banking and Currency Committee, of which I am proud to be a member, is now making.

Mr. Speaker, all of the country profits whenever the able gentleman from Texas now speaking elucidates this question of money and credit and the things that have to do therewith.

But, Mr. Speaker, I venture to interrupt because I wish to associate myself with the commendation which has just been given to the distinguished member of our committee, the able gentleman from Texas [Mr. GONZALEZ], who has just disclosed a fine and notable sense of public dedication and fidelity to the public interest.

As we say: "May his tribe increase."

Mr. PATMAN. I thank the gentleman from Florida.

Mr. Speaker, I want to tell the Members of the House something about the Subcommittee on Domestic Finance of the Committee on Banking and Currency.

We have had 5 months of hearings. We had over 50 witnesses and these witnesses included, first, the Federal Reserve Board—7 members and 12 Federal Reserve bank presidents. We had them first.

Then we had famous economists from all over Nation. We think we have compiled some wonderful publications on the monetary system of the United States that will make it easy for people to understand these issues. They are available through our committee.

I am inserting three newspaper items: one is a Washington Post editorial commending our committee; second is a letter from Seymour Harris, the noted dean of American economists, and third is a favorable editorial from the magazine Business Week.

We want the grassroots support, and we are appealing to the grassroots for support.

The SPEAKER pro tempore (Mr. PRICE). The time of the gentleman from Texas has expired.

(By unanimous consent (at the request of Mr. PATMAN) he was permitted to proceed for 5 additional minutes.)

Mr. PATMAN. Mr. Speaker, as I said, we need the grassroots support, and in order to get that we will have to make a campaign that will reach the public. That we are attempting to do. We are starting now, and we are going to keep it up.

We are making it possible for anyone who so desires to obtain copies of our hearings, either free publications through their Members, the Members of the House and Senate, or by buying them from the Government Printing Office. The price is listed in the statement to be filed.

One of the publications is a primer on money which I had something to do with myself. It contains 152 pages, and I believe it will be helpful in letting people know something about money, and show that money is not such a mystery as many people would like to have you believe. It can be understood. I hope that the Members of Congress will be interested in what we are trying to do. It is of fundamental importance to the public interest.

Mr. Speaker, the articles I referred to are as follows:

[From Business Week, July 11, 1964]

A NEW LOOK AT MONEY MANAGEMENT

The past few years have been a period of exceptional creativity both for monetary theory and for the improvement of the techniques of monetary management. The "corrective proposals to strengthen" the Federal Reserve System, advanced last week by Representative WRIGHT PATMAN'S House Banking Committee, reflect some of this new thinking. Where they do, they deserve careful study.

One of the main objects of PATMAN'S proposals (Business Week, July 4, 1964, p. 68) is to promote the coordination of the Federal Reserve's monetary policies with the economic policies of the rest of the Government. The methods that he suggests for achieving this will have to be debated and evaluated on their own merits. But they should not be rejected out of hand on the grounds that they would impinge on the traditional "independence" of the Fed.

The fact is that no modern nation can afford to let its central bank operate without regard to the economic policies and commitments of the elected government. There must be coordination of monetary policy with the broad economic policies of the administration—or there will be chaos.

What actually has occurred in recent years has demonstrated that the Fed can coordinate its actions with those of other Government agencies without losing its effectiveness. Under Chairman William McC. Martin, there has been close cooperation between the Fed and the administration.

The question arises, however, whether the present arrangement would work so well if

different personalities were involved. There is much to be said for defining the Federal Reserve's relation to the administration more explicitly.

PATMAN makes two proposals to this end. He would have the term of the Federal Reserve Chairman coincide with that of the President, so that the President always could name his own man to the job. He also would require that the Economic Report of the President include a statement about the goals of monetary policy for the year ahead.

There is merit in both ideas. And Congress may want to go further and provide for the coordination of policy by a National Economic Council made up of the Federal Reserve Chairman, the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and other officials.

Mechanical arrangements are no substitute for able men. But Congress may prevent some unhappy misunderstandings in the future if it takes the opportunity now to spell out the Fed's role in terms that cannot be mistaken.

[From the Washington Post, July 16, 1964]

CHANGING THE FED

(By Seymour Harris)

The House Committee on Banking and Currency is to be congratulated for its proposed changes in the Federal Reserve System. Two crucial issues are at stake: First, the independence of the Fed; second, its constituency.

On no issue of economic policy has more nonsense been written than on the independence of the Federal Reserve System. And no one has proclaimed this independence more insistently than Mr. William McChesney Martin, Chairman of the Federal Reserve Board.

What exactly does independence mean? In the famous accord of the early 1950's. Senator DOUGLAS made it clear that the Fed should not be required by the Treasury to manufacture money and induce inflation, merely in order to keep the price of Government securities high and the rate of interest on these securities low. This does not mean that the Fed has no responsibility vis-a-vis the Government security market—the Federal Government accounts for 20 percent of our economy—but merely that policies in favor of Government should not be overdone. I am glad that Congressman PATMAN was induced to abandon the idea of making the Secretary of the Treasury once more a member of the Board. The Treasury might overweigh the objectives of a good bond market.

But what the Patman committee now seeks is an avowal that the Fed's policies will be integrated with those of the Executive; that is to say, if, for example, the Government seeks full employment, relative stability of prices, and reasonable balance in international accounts, the Fed would have no alternative but to follow policies that help the Government achieve these ends. This is a must. We cannot afford, in these days of crisis, the luxury of the Executive going one way and the Fed another.

Under President Kennedy, there were threats of restrictive monetary policy (e.g., at one point Mr. Martin would veto the tax cut by not financing the deficit out of additional money). The inference of Mr. Martin, at times, was that the new Treasury issues would have to be purchased out of additional savings made possible by a rise in interest rates. But he early retreated from this position. President Kennedy and President Johnson would not tolerate the kind of monetary policy that pleased President Eisenhower and his top aids.

On the second issue, the constituency: President Wilson asked for a Federal Reserve Board to protect the interests of the Nation; not the financial interests alone. An Open Market Committee which largely determines monetary policy and has heavy representation from the Federal Reserve banks, is contrary to the spirit of Wilson's Federal Reserve System.

The Board itself gives too much attention to the wishes of the financial interests. The banks even more so. Financial interests are biased in favor of excessive monetary restriction and high price for their product and restricted supplies. They might do better, though they do not seem to realize it, by selling more at lower prices.

Hence, I hope the Congress will, as Congressman PATMAN wishes, remove Reserve bank officials from the Open Market Committee and also shorten the terms of members of the Board so that they are more sensitive to the interests of the Nation. A 4-year term would make them more sensitive to the needs of the Nation and to the demands of administration economic policy.

[From the Washington Post, July 14, 1964]

MONETARY GUIDELINES

In 1913 Congress delegated its constitutional authority to regulate the supply of money to an independent authority, the Federal Reserve System. The System was radically transformed after the most devastating depression in the Nation's history. But Congress in its concern with immediate issues never articulated the economic objectives and criteria that should guide Federal Reserve policies. Conscious of this glaring deficiency, the majority members of the House Banking Subcommittee have formulated a series of proposals designed to achieve a closer coordination between monetary policy and the other economic policies of the Federal Government.

Central to the subcommittee's program is a proposal that would provide a firm statutory basis for the determination of monetary policy. The President would be required to set forth in his Economic Report monetary guidelines "including the growth of the money supply * * * necessary to attain the goals of maximum employment, production and purchasing power. . . ." Clear directives to the Federal Reserve Board would preclude a repetition of the episode in the summer of 1962 when the chairman threatened to nullify the effects of a tax cut with restrictive monetary measures.

Most of the other proposed reforms follow from this central proposition, and the most important is that relating to the Federal Open Market Committee. The FOMC is a powerful body that regulates the reserves of the commercial banks through its decisions to buy and sell Treasury securities. (Purchases of securities raise member-bank reserves; sales diminish them.) As presently constituted there are 12 members of the FOMC, the 7 Governors of the Federal Reserve System and 5 representatives of the regional Federal Reserve banks. In the past, great harm was done by giving the regional Reserve banks, which often represent narrow banking industry interests, a potential veto over crucial open market decisions. Open market operations are the most effective means of controlling the money supply, and power to conduct them should be vested in the Board of Governors, a body which is directly responsible to the Congress.

The term of the Chairman of the Board of Governors should be coterminous with that of the President. If the President of the United States can appoint a chief fiscal officer in the Secretary of the Treasury, he should also be able to appoint the Nation's chief monetary officer, the Chairman of the Board of Governors. And if the Federal Reserve System is to be responsive to the wishes of the executive branch, the inordinately long, 14-year terms of the Governor should be reduced to 5.

The other reform proposals are of subsidiary importance. It is desirable but hardly essential that the outstanding stock of the Federal Reserve banks be retired or that the accounts of the system be publicly audited. But it is essential that the salaries of the Governors and their staff be raised, especially in view of the disparity between remuneration in Washington and the regional Reserve banks.

Virtually all of the subcommittee's recommendations are embodied in the excellent but unfortunately neglected Report of the Commission on Money and Credit published in 1961. The Commission on Money and Credit was established by the Committee for Economic Development, a prominent group of business executives, and included spokesmen for the labor movement, the banking industry and nonfinancial business enterprises.

The United States is the only great power in which monetary policy is not subject to the firm control of the incumbent administration. This anomalous system, in which the President's ability to shape economic policy may be severely attenuated, has worked surprisingly well in recent years. But an institution that produces something less than optimal results in the absence of great pressures and that is the spawning ground for a dangerous conflict in time of trouble cannot be tolerated in a world where money and monetary policies really matter. The time for a thoroughgoing reform has arrived.

THE U.S. MARINE CORPS

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from Texas [Mr. THOMPSON] is recognized for 30 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, for many years members of the U.S. Marine Corps, old and young, have had a dream of some day establishing a preparatory school which would lay the foundation of a military education which could ultimately result in a lifetime of service in the corps.

The idea has now taken definite shape and, as a Texan, I am proud to note that it is planned to locate the new Marine Military Academy in Harlingen, Tex. Although this enterprising city is not in my congressional district, still, as an old Marine, I am glad to give the Congress herewith a description of the Academy as set forth in a recent speech by Brig. Gen. William R. Wendt, U.S. Marine Corps, retired. He spoke as follows:

IN KEEPING WITH THE FINEST TRADITIONS

(By Brig. Gen. William R. Wendt, U.S. Marine Corps, retired, chairman, finance committee, Marine Military Academy)

There is an old Chinese adage to the effect that "a prophet is never without honor."

Assuming prophetic risk, the new Marine Military Academy being planned for Harlingen, Tex., will open its doors in the fall of 1965 to welcome some 900 students to a high school education "in keeping with the finest traditions of the U.S. Marine Corps." To insure their education will be in conformance with these traditions, the administration and faculty will be composed predominantly of retired Marine Corps personnel embarking upon a "second" career in the educational field.

Destined to become a city rivaling Quantico in the corps' affections will be Harlingen, a modern city situated at the southeastern tip of a State that has long demonstrated its esteem for Marines. The story of the Marine Military Academy and how it came to be planned for Harlingen, Tex., is a fascinating one that bids fair to become another Marine Corps legend.

Although the concept of a Marine Military Academy may have been lodged in the hearts and minds of most Marines, particularly those with sons approaching high school age, it was Capt. William A. (Bill) Gary, U.S. Marine Corps Reserve, retired, who first publicly espoused the idea. Captain Gary envisaged the Marine Military Academy as an ideal educational institution for his son. In Bill's mind the Academy took shape as a nonprofit, educational institution, unofficial in character, but staffed by well-qualified, retired Marines, dedicated to the task of providing young men with the finest secondary school education obtainable, along traditional Marine Corps lines.

Suppose a young man seeking a high school education aspired to enter one of the service academies. Suppose his ultimate goal was to become a Marine officer. Who would be better equipped to teach such an aspirant than a faculty composed of graduates of service academies who had completed a successful career in the U.S. Marine Corps?

Reasoning along this line, Bill Gary looked around for likely sites for such an academy. A Texan by birth, but an Arizonan by adoption, Bill discerned a likely site in the vicinity of his adopted home: Prescott, Ariz. In Bill's mind, Gen. E. A. Pollock, U.S. Marine Corps, retired, a graduate of The Citadel, possessed all the qualifications to serve as president of the new academy. He wrote General Pollock at his Beaufort, S.C. residence in retirement, to ascertain his reaction.

Impressed with Bill Gary's concept of a Marine Military Academy, General Pollock readily agreed to serve as president of what was soon to become an Arizona-chartered, nonprofit corporation to implement Bill's inspiration. News of the projected academy spread rapidly, receiving national attention. A brochure was prepared describing the proposed site in Prescott, Ariz., and outlining the academy's goals.

The initial, widespread publicity attracted commensurate attention. Among those inspired by the idea, was an alert marine recruiter, Gunnery Sgt. John S. Allerton, stationed in Harlingen, Tex.

The city of Harlingen boasts a population of approximately 40,000 residents. It is situated geographically proximate to the southernmost tip of Texas. Harlingen is some 20 miles north of the Rio Grande, about 30 miles from Brownsville where that mighty river enters the Gulf of Mexico. The Rio Grande Valley cities of Harlingen and Brownsville, together with McAllen, form a triangular complex. They are linked by a network of exceptionally fine highways. Highway 77 running north-south, and Highway 83 running east-west, intersect in Harlingen.

As Gunnery Sergeant Allerton was in a good position to know, the city of Harlingen, for a number of years until quite recently, had encompassed a U.S. Air Force navigators and bombardiers school at the Air Force base within the city's limits. Following disestablishment of the base and consolidation of its schooling mission at Waco, the city of Harlingen had acquired title to the $36 million base in fee simple without limitation for contingencies. The air base included an operational airfield larger than Harlingen's municipal airport, numerous, relatively new, air-conditioned buildings of permanent-type construction, and, ideally, from Sergeant Allerton's vantage point, these buildings had been configured specifically for school purposes.

Sergeant Allerton seized the initiative. He acquainted Harlingen's mayor, city manager, and other municipal officials with publicized plans to establish the Marine Military Academy in Prescott, Ariz. The city officials issued an invitation to General Pollock and his cohorts to visit Harlingen and explore available facilities at the air base site. The invitation was accepted by General Pollock, culminating in an on-site inspection.

Investigation disclosed the available buildings had been constructed at a cost in excess of $3 million. They were ascertained to be in an excellent state of repair, having been built in the previous 8- to 12-year period. The facilities and grounds had been adequately maintained, appeared virtually ready for occupancy, and together offered a site that appeared to be ideally suited for early use for the proposed Marine Military Academy.

Harlingen city officials offered to lease 90 acres of land together with 35 buildings, to the nonprofit corporation headed by General Pollock to establish the academy. A nominal annual rental was sought, decreasing per capita as students enrolled.

The officers of the corporation, counseled by an advisory board comprised of many distinguished general officers, concluded the Harlingen site was the best suited to enable the academy to commence operations in the fall of 1965. The city's offer was therefore accepted, and a formal contract resulted.

Disestablishment of the U.S. Air Force Base in Harlingen had resulted in many fine homes being vacated by personnel formerly stationed there. In the interim, retirees attracted by Harlingen's semitropical climate, resembling Miami's, had absorbed a few of the homes vacated. However, many lovely residences are still available for purchase under FHA terms calling for the little or no downpayments.

Harlingen possesses an adequate water supply, evidenced by its citrus fruit orchards and industry, and by its generally green appearance in contrast to the western plains of Texas. The city boasts an excellent country club, complete with a well-kept golf course. Harlingen qualifies as a port city, linked by barge traffic with the Gulf of Mexico.

A number of senior and junior high schools, both public and parochial in Harlingen, provide coeducational opportunities on secondary levels. Presenting a new, modern appearance, in the main, a number are replete with athletic fields and stadiums comparable to those of colleges.

The sandy beaches along the gulf coast running from nearby Port Isabel, offer a beaching, swimming, and fishing playground, resembling similar strips of beaches between Norfolk and Onslow Beach. However, from an all-year-round point of view, the gulf coast enjoys a much lengthier season.

Not the least of Harlingen's many attractions, is the city's proximity to "Romantic Old Mexico." A four-lane freeway from Harlingen to Brownsville facilities crossing the international bridge into Matamoros, Mexico, following an easy 20-minute drive. Enchanting entertainment and good food are obtainable in Matamoros. Delicacies such as venison and pheasant, unobtainable in many parts of the United States, can be ordered and enjoyed by gourmets visiting Matamoros. Shopping opportunities abound and prices are appealing. Out-of-state visitors are allowed to return with a gallon of tax-free beverages upon reentry; Texans are limited to a lesser amount per trip. Aficionados can follow their favorite sport and watch outstanding matadors perform in the weekend encounters in Matamoros' large arena.

The concept of a Marine Military Academy demonstrably appeals to many people, both at home and abroad. Interest expressed to date has taken many forms: letters of inquiry, offers of help in various forms, unsolicited donations, devises, pledges, substantial contributions, memorial gifts. The proponents have been urged to consider establishing similar academies in other States. Many have urged expansion of the curriculum to embrace the junior college level. The availability of grants-in-aid to junior colleges, has prompted serious consideration of these and other recommendations and suggestions received.

Many retired Marines and a number contemplating retirement have expressed an interest in pursuing a second career in the educational field in a familiar environment. Their varied academic backgrounds, military education and experience, suit them admirably for the teaching profession. Many of those interested in academic teaching or administrative roles have, or are in the process of acquiring, advanced degrees in applicable fields. The academy's administration is uniquely competent to assess the capabilities and make optimum utilization of the multiple talents, varied education and experience of all who might like to serve the academy in administrative or teaching roles.

Many applicants for positions on the faculty or administrative staff have expressed special interest in utilizing their free or off-duty time until the fall of 1965 or later, to optimize their potential usefulness. There are many reasons to affirm the belief that an exceptionally talented faculty and an outstanding staff can be assembled and expanded to meet all foreseeable needs.

Upon commencing its operations, the academy plans to offer a 4-year high school education, spanning the 9th through 12th grades. It will emphasize academic excellence while collaterally stressing military, physical, and disciplinary training traditional to the U.S. Marine Corps. The academy's curriculum and activities will be designed and directed particularly to meet the needs of young men who aspire to attend one of the service academies upon graduation, or other military colleges throughout the Nation. In the accomplishment of this objective, the academy will strive to provide whatever additional courses or training may be desired to qualify its graduates for civilian universities of their choice, entrance into the Armed Forces or civilian life.

In view of the discernibly varying needs of its students, the academy's faculty is expected to include graduates of all of the service academies and of most of the military colleges. In this fashion, the academy hopes to insure that appropriate, experienced counseling will be available. In this regard, it is worthy of note that graduates of both the U.S. Air Force Academy and the U.S. Military Academy, in recent years, have been and are being commissioned in the U.S. Marine Corps.

Opportunities for retired and retiring U.S. Navy staff officers, Medical, Dental, and Chaplain Corps, among others, will be available in conformity with Marine Corps' traditions.

The proximity of the academy to an operational airfield, offers the possibility of off-duty and weekend flying and ground school training. The feasibility of providing both fixed and rotary wing aircraft training is being explored. Aviation training would be in harmony with the modern-day Marine Corps organization and traditions.

To many young Americans still facing the draft or voluntary service in the Armed Forces, the opportunity to acquire some realistic, preliminary preparation, should prove quite appealing. If their prospects for attending an institution of higher learning are not sanguine for a variety of reasons, young men attending the Marine Military Academy will be enabled to obtain an insight into military life that may ease the shock of their subsequent entry into the Armed Forces. The education, skills, and experience they acquire may enable them to avoid many of the customary embarrassments of the previously uninitiated.

Parents on active duty, subject to many and varied assignments, may find the academy particularly suited for the education of their sons. Secure in the knowledge that whether they are aboard ship or in the field, the education and welfare of their sons

are being superintended by an understanding and competent administration and faculty, should do much to promote parental peace of mind.

The geographical proximity of the academy to Central and South America, can be counted upon to contribute to knowledge of their languages and customs. The academy expects to draw many students from among our good neighbors to the south who comprise the Organization of American States. This does not mean that enrollment will be limited to students from this hemisphere. The opportunity to acquire an education in keeping with U.S. Marine Corps' traditions is expected to appeal to students from many foreign countries.

Many organizations, including the Marine Division Associations, for example, are providing scholarships for the dependent sons of those who have given their lives that this Nation might endure. It is hoped that future recipients of such scholarships may be enabled to attend the new Marine Military Academy.

At the present time, the Academy urgently needs adequate funding to engage a competent faculty and staff in advance of opening its doors. It lacks the means to attract the attention of prospective students and their parents to insure its initial enrollment matches its 900-student capacity. Publicity will assist in fulfilling many of these needs, while reducing promotional expenses.

It is inconceivable that a project sponsored by marines, assisted by a distinguished advisory board representative of the other services, and destined for Texas—could fail for lack of support. The academy has been personally endorsed by both the former and present Commandants of the Marine Corps.

Former Commandant, Gen. David M. Shoup, has expressed his views, in part, in the following language:

"To be a good citizen, among the principles which one must learn, and the earlier the better, are: Proper respect for duly constituted authority; how to live with one's fellow man; and self-discipline as evidenced in the care of one's clothing and equipment * * * it appears that * * * stated academic and disciplinary goals for the Marine Military Academy will conform to the aforementioned principles."

In personally endorsing the Marine Military Academy, Gen. Wallace M. Greene, Jr., the present Commandant, has expressed his sentiments, in part, as follows:

"It is a source of pride to me to know that you and fellow marines are exerting unselfish efforts to establish an educational institution whose principles will be based on Marine Corps heritage."

In affirmation of the stated academic and disciplinary goals being in conformance with the principles of good citizenship outlined by his predecessor, General Greene added:

"You can be sure upon attainment of these goals, you will have rendered an important service to the youth of our Nation."

CIVIL SERVICE RETIREMENT BENEFITS SHOULD BE INCREASED NOW

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Montana [Mr. OLSEN] is recognized for 60 minutes.

Mr. OLSEN of Montana. Mr. Speaker, Oliver Wendell Holmes, one of the most wise and literate of all Americans, once said:

The riders in a race do not stop short when they reach the goal. There is a little finishing canter before coming to a standstill. There is time to hear the kind voice of friends and to say to one's self: "The work is done." But just as one says that, the answer comes: "The race is over, but the work never is done while the power to work remains."

We are approaching the end of a session, but I am fearful that we will come to a "canter" without the race being completely finished. We have not finished our work as far as our aging citizens are concerned. I am referring specifically to our retired Federal employees. "That old bald cheater, time," as Ben Jonson characterized it, will probably make it impossible for us to consider and pass the legislation now pending before the House and Senate Committees on Post Office and Civil Service. Both the House and the Senate are striving for an August 22 adjournment. I have introduced a bill, H.R. 8162, providing for an increase in retirement annuities for all present annuitants and survivor annuitants. I am happy to report that at least a dozen other Members of the House have introduced similar bills. There are several annuity increase bills pending in the other body as well.

I know that the Members of the House realize that an adequate income for the elder citizens of this country is important, both as a humane measure and as an economic necessity. This was demonstrated by the overwhelming vote for a 5-percent increase in social security benefits on July 29. We have a distinct responsibility as employers to see that retired Federal employees are given adequate consideration.

I am greatly shocked and I know you are, or will be, on hearing a brief review of the small annuities that our retirees receive. There are 187,982 retirees now on the rolls who retired prior to August 1, 1956, and the average annuity of these former employees is a mere $144 per month. The average of the 453,099 annuitants on the rolls is only $179 per month. A study made by the Bureau of Labor Statistics in 1959 concluded that, for an elderly man and his wife to live modestly but comfortably in 20 selected cities and suburbs, it would require as the maximum in the 20 cities, $3,366 in Chicago and, at the minimum $2,641 in Houston. The vast majority of annuitants could not live comfortably in Houston, and a greatly restricted few could live comfortably in Chicago. The average for 188,000 is a mere $1,728, and the average for the 453,000 is a mere $2,148. The average for the 453,000 is $500 less than the amount that the Bureau of Labor Statistics regarded as a minimum amount in 1959. That was 5 years ago—it must be considerably more now because the cost and standard of living has been advancing.

According to the June 30, 1963, report of the Civil Service Commission, the oldest employee on the retirement rolls had reached the ripe age of 106, and his monthly annuity was $1 less than his total age—otherwise, a mere $105.

The bill I have introduced, H.R. 8162, provides for a graduated increase starting at 9 percent for those receiving $1,800 or less per annum; 8 percent for those receiving $2,200 or less, and so on until the percentage reaches 3 percent.

This legislation is a must. Many of those who receive the smaller annuities are those who have been on retirement for many years; many of these had long service and retired on small annuities. In this group you will find the helpless, the sick, and the suffering. Approximately 50 percent of those on the retirement rolls have 25 or more years of service; around 150,000 annuitants have 30 years of service. On June 30, 1963, there were 130,000 retired on disability. The 44,000 retired before August 1, 1956, receive an average of $121 per month; the 86,000 retired since August 1, 1956, receive an average of $154 per month.

In 1962 the House Committee on Post Office and Civil Service reported out a bill providing for a 10-percent increase for retirees. The other body, however, amended the pay increase bill by adding a section to include a 5-percent increase for retirees. We did not think that sufficient at the time, nor do we now; however, because of legislative complications and because of the lateness in the session, we were compelled to accept the 5 percent.

The bill as finally passed provided for a cost-of-living increase. When the cost of living has risen a minimum of 3 percent, annuities would be increased by a similar amount. The measurement of the increase would be based upon the December cost-of-living figure, and would become operative the following April. It is quite obvious at this time that the cost-of-living increase will not reach 3 percent in December 1964—it will be 2 percent plus. According to the provisions of Public Law 87–793, the earliest that there could possibly be an increase would be April 1966. When that increase comes, it will be inadequate.

Annuitants have been fighting a losing battle; the purchasing power of the dollar has declined every year since the turn of the century, except during the depression. Part of this decline is due to the increased cost of living, part to the increasing necessity of those with low income to assume a larger part of the tax burden, and part is due to the improved standard of living. There are those who say, "But you do not have to improve your standard of living." Such statements are blind to the changes in the class of living that has taken place in the last 30 years. In this modern world, you must live close to the standards of other people; you cannot live according to the horse-and-buggy standards.

I cannot close my remarks on the necessity of an increase in the annuities of retired Federal personnel without giving attention to a charge that is frequently made to the effect that civil service retirement fund has a large unfunded liability. The impression has been created that this is a condition that exists only with the civil service retirement fund. A great many retirement funds, both public and private, have large unfunded liabilities. This is usually created by two factors—credit for past service and changes in the rate of pay.

The condition of the civil service retirement fund is not precarious. The failure of Congress to appropriate sufficient funds is responsible for the deficiency. Compared to other federally operated plans, it is in good condition.

According to the 42d annual report of the board of actuaries of the civil service retirement fund, there existed an unfunded liability of $33,660 million; at the present time there is $14 billion in the civil service retirement fund.

The civil service retirement fund is the best financed retirement fund operated by the Federal Government. According to a special committee known as the Committee on Retirement Policy for Federal Personnel, the unfunded liability for retired military personnel was twice as great as that of the civil service retirement fund. This study was made in 1954. This committee estimated that the cost to the Federal Government, according to percentage of payroll for the Federal judiciary was 19.72 percent; for uniformed services, 9.49 percent; for Foreign Service, 19.50 percent; but for civil service retirement it was only 5.15 percent.

If there is a deficiency in the civil service retirement fund, it is because the Federal Government has not fulfilled its obligations. In only about 2 or 3 years since the fund began its operations in 1921 has the Government appropriated what the actuaries recommended. In 10 instances there has been no appropriation. The employee contributions have been sufficient to pay more than the entire expenditures of the fund. Since the fund began its operation in 1921, there have been total expenditures of $10,834,389,391. During the same period, the employees have contributed a total of $11,051,379,773.

There is legislation presently before our committee which has as its objective funding the civil service retirement liability over a number of years. Hearings have not yet been held on this legislation, but it too should be given early consideration. I have reviewed the question and introduced a bill. I understand it is recommended by the administration.

It is incredible to me that we should be so negligent when it comes to doing the right thing for our elderly citizens. Because of the greater incidence of illness and because of their advanced ages, they do not have adequate health benefits available to them—the premiums are high, the Government contribution small, and the benefits limited. This, too, requires our attention.

The gross national product reached an all-time record high of $618.5 billion in the second quarter of 1964. Personal income has risen to $487.8 billion in the month of May 1964.

Mr. Speaker, we all take pride in the fact that the United States of America is the strongest, the richest and the most munificently endowed nation in the history of the world. We take pride, also, in the fact that ours is the oldest and the most efficient democracy on the face of the earth.

I submit that one of the principal reasons why our democracy has worked as well as it has is that we have been able to find generations of dedicated civil servants who have been willing to work faithfully, at comparatively low pay, at the task of making our government work.

We owe these generations of Americans a great debt, and we have treated them with a shoddy disregard for the common demands of simple humanity.

The U.S. Government should be a model employer. The U.S. Government should be pointing the way in the field of human engineering so that private industry will follow. Instead, our Government has lagged far behind private industry and has followed the rest of the country with slow, reluctant steps.

When the first Civil Service Retirement Act was passed, on May 22, 1920, the Government was far behind the employment practices of the Nation. In the field of retirement, we have remained far behind.

The annuities we have paid our retired Federal employees have always been inadequate. In recent years, as the cost of living in this country has climbed inexorably, these annuities have been nothing less than scandalous.

The President of the United States has said that the official designation of poverty in this country is a household in which the annual income is $3,000 or less. As we have seen, the income of the average civil service annuitant is far below that figure.

Mr. Speaker, is it just or decent that we should accept from our civil servants decades of dedicated public service and then, when we have taken all that they have to give, to condemn them to live out the rest of their natural lives in deprivation and poverty?

I submit that it is not just or decent. We have a moral obligation to alleviate the condition of these elderly American citizens who deserve so much of this country.

The legislation I have introduced—H.R. 8162—takes a modest step toward redressing this great national wrong.

We should take this step, Mr. Speaker, and we should take it immediately.

APPALACHIA—MYTHS AND REALITIES

Mr. SCHWENGEL. Mr. Speaker, earlier today I asked for a special order of 30 minutes. Because I have other commitments I will not be able to take that time. I therefore ask unanimous consent to have my statement appear in the body of the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, H.R. 11946, the Appalachian Regional Development Act of 1964, introduced by our colleague, the gentleman from Tennessee, CLIFFORD DAVIS, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, was favorably reported last week by the House Committee on Public Works. This bill is a clean bill to the original legislation introduced on April 29, 1964, H.R. 11065 and H.R. 11066, which was very badly drafted because it contained many proposals inconsistent with existing Federal-State programs and services. The so-called clean bill removed some of the objectionable features of the original bill, but there are more equally objectionable features still in the bill.

The public hearings on the original bills were held in an air of cordiality and bipartisan cooperation. These hearings were concluded and everything seemed reasonably peaceful. The Republicans on the special ad hoc subcommittee were told that sufficient executive sessions would be held to discuss the legislation. Throughout the entire hearings I repeatedly requested that the members of the subcommittee tour the Appalachian region to view for themselves the problems and the economic situation there. Since my requests went unheeded, I am going to Appalachia tomorrow to try to get firsthand experience with the situation there.

At 9:30 a.m. tomorrow morning I am going to hold hearings in the New Federal Office Building in Martinsburg, W. Va. Interested parties are being invited to come in and testify on the Appalachian bill. I shall report back to the Congress on what I find.

The Congress adjourned for the Republican National Convention on July 2, and everything seemed okay. On Friday, July 17, before the Congress was to reconvene on the following Monday to finish the business of this session, the hearings were ordered to be printed. These hearings had been held from being printed for some 3 or 4 weeks, and as a result we finally started the first executive session of the subcommittee without even having copies of the hearings available for reference. The previous weekend the administration officials and Democratic leaders for the legislation went running around Washington supposedly drafting the clean bill. There is sufficient evidence to substantiate a claim that the major portions of the clean bill had already been redrafted and the bill needed only finishing touches.

On Monday, July 20, when the Congress reconvened, our colleague, the gentleman from Tennessee [Mr. DAVIS], introduced the clean bill, H.R. 11946. The race was on. Immediately the committee leadership scheduled an informal meeting of the subcommittee to discuss the changes in the bill on Tuesday, July 21, with the intentions evidently being to have an executive session of the subcommittee on Wednesday, July 22, to favorably report the bill to the full committee. No hearings were held on the clean bill to acquaint members of the committee with the extent and effect of the changes. The full committee then would have met to favorably report the bill to the House on Thursday, July 23. This was done in an atmosphere of partisanship rarely evident in our committee.

Actuality shows this bill was "railroaded" through the subcommittee.

Amendments to even clarify certain provisions of the bill were knocked down almost every time. It became increasingly evident that the heat was on to have this bill reported. It was only because of Republican demands for a full reading of the clean bill, that railroading was prevented in the full committee.

With a bill as far reaching as this one it is a disgrace to certain factions in this Congress that a bill of this nature should be used for political purposes during this election year to the extent that this bill has been. Buying votes with such unproven and poor prospects for good results in relieving human misery is a tragedy and a travesty. To run a Congress or an administration as the administration and factions of this Congress are doing invites an indictment by the American people this fall. Their reckless, careless, and almost cruel handling of a bill of this nature is unconscionable. One thing is increasingly evident—the war on poverty has purposes exterior to helping people in poverty. These proposals reek with political vote-buying with the people's money that is rarely seen in legislative halls.

This Appalachian bill was originally opposed on the basis of several important contentions. Earlier this month I rose to the floor of this House to mention only a few of the grave shortcomings of this proposal. I pointed out then:

First. The open end spending authorizations.

Second. The duplication of existing Federal programs and services.

Third. The discrimination against the rest of the Nation by the establishment of a regional approach.

Fourth. The estimated costs that range from $4 to $24 billion over the life of the program.

Fifth. The absolute veto power of the Federal representative and Federal control on all plans and projects.

Sixth. The back-door spending provisions which would allow upward of $550 million to be spent through such provisions.

Seventh. The $920 million for a 5-year development highway program.

Eighth. The lack of annual congressional review of the programs and projects.

Ninth. The small spending in the first year of the program would balloon into countless millions during later years.

Tenth. The accelerated public works program to meet unemployment with expenditures ranging over one-half billion has been a failure.

Today, I rise to the floor of this body to point out the fallacies in the so-called clean bill on Appalachian regional development. These points of contention are as follows:

First. It would provide preferential treatment for one section of the United States and discriminate against other areas of the Nation with equal or greater unemployment and lack of economic development.

Second. It is highly unlikely that the programs provided will produce any substantial effect in alleviating so-called social, educational, and economic "deprivation" in the Appalachian region.

Third. There is no justification for inclusion of all of the 355 counties that are prosperous, and 67 do not qualify for benefits under the Public Works Acceleration Act as being depressed or labor surplus areas.

Fourth. The selection of the Appalachian region for special treatment because of the high percentage of families having annual incomes of less that $3,000 which the administration says is the dividing line between poverty and the ability to enjoy the affluence of American society, ignores many factors, such as price indices in the area, the above national average of homeownership and appliances, single car ownership per family, home production of food stuff, and the fact that average family retirement benefits provided by the Government under social security is approximately one-half of the $3,000 top limit of poverty.

Fifth. The Congress is being asked by the administration to enact far-reaching legislation on the basis of 1960 statistics and data purported to show conditions of economic deprivation in the face of current information including statements that improvements have been made and many corrective actions undertaken within the past 4 years. Lengthy hearings were held, but as I have stated, the clean bill was almost shoved down the throats of any opposition.

Sixth. Existing State and local governmental agencies, which normally administer Federal-aid programs, will be bypassed by the creation of the Appalachian Regional Commission and local development districts which will develop, initiate, and administer programs under this bill.

Seventh. By providing that decisions of the Appalachian Regional Commission shall require the affirmative vote of the Federal member as well as a majority of State members, the Federal Government is given absolute veto authority over all State and local proposals, in addition to the approval authority that may be vested in the Federal agency administering a particular project or program.

Eighth. The highway program contained in the bill is particularly discriminatory against other portions of the country, for it authorizes an additional highway program for portions of only nine States which is almost as large as the annual program for construction of Federal-aid highways, both primary and secondary, and their urban extensions in all of the 50 States. The highways to be constructed under the bill are not required to be made parts of any Federal-aid highway system and are not subject to continuing Federal surveillance for preservation of the Federal investment in such highway.

Ninth. It is inconceivable that 80 percent grants should be made for development of pasture lands in Appalachia to increase beef production at a time when there is an overproduction of beef in the country and when the Government is paying farmers to take other and more productive land out of production.

Tenth. Federal subsidizing of timber development organizations through technical assistance and loans can undermine the existing timber industry and place it in an unfavorable competitive position, to the ultimate detriment of the Appalachian region and other areas of the Nation.

Eleventh. Private owners of lands and mineral rights will be unjustly enriched at the expense of all the taxpayers of the country by the restoration and improvement of mining areas with no requirements that such owners bear any part of the cost.

Twelfth. Direction to the Secretary of the Army to prepare a comprehensive plan for development and utilization of water and related resources of the Appalachian region would seriously jeopardize the existing Tennessee Valley Authority jurisdiction and could allow for the possible development of public power.

Thirteenth. The discredited and ineffectual Public Works Acceleration Act program would, in effect, be continued by authorizing 80-percent Federal grants for all existing Federal grant-in-aid programs for the construction of equipment of facilities in the Appalachian region irrespective of whether the particular area meets the depressed or labor surplus eligibility requirements of the Public Works Acceleration Act.

The Appalachian bill undertakes to enlarge or initiate programs and services which should be undertaken by the State and local governments or private initiative. As I have stated, those sections of the legislation which might be considered Federal prerogatives are, for the most part, wholly inconsistent with existing services or duplicatory of those existing services.

This legislation is part of the administration's war on poverty package, but yet there is not one section in this bill which would directly benefit someone in abject poverty. The bill provides for highways, health facilities, vocational educational facilities, timber organizations, water resources surveys, mine area restorations, sewage treatment works, and so forth. It is my contention that someone who is in hunger is more interested in food than in facilities or programs as provided for in this legislation.

We are told that there is serious unemployment in Appalachia, and there is no doubt that unemployment does exist there; but there are mining areas in Michigan, Minnesota, and Utah which are suffering from equally high if not higher unemployment resulting from mine closures. Fifteen percent of the counties in Appalachia, as defined by the bill, are sufficiently prosperous to have never been eligible for grants under the Public Works Acceleration Act. An additional 5 percent of the Appalachian counties which were once eligible for grants under the above act are no longer eligible.

The number of counties in the region which do not have labor surpluses is indeed interesting. It provokes considerable concern over the coverage of an entire region of this Nation by blanket authority. The percent of counties with labor surpluses of those counties in Appalachia are very low in some instances.

About 40 percent of all counties in Appalachia do not have labor surpluses.

The following table illustrates this contention:

Percentage of counties in the Appalachian area which have labor surpluses

State	Number of counties in region	Number of counties in region with labor surpluses	Percent of counties with labor surpluses [1]
Alabama	32	14	46
Georgia	35	13	38
Kentucky	49	28	56
Maryland	3	3	100
North Carolina	29	10	34
Ohio	24	16	67
Pennsylvania	52	46	88
Tennessee	49	28	56
South Carolina	6	1	17
Virginia	21	6	29
West Virginia	55	47	87

[1] Percent of counties with labor surpluses of those counties in the Appalachian region as defined by H.R. 11946.

The economic situation in the Appalachia region has been a subject of controversy since the closing hours of the Civil War, but recent economic recovery in this area has been substantial, and the day of the so-called do-gooder in regard to this area is hopefully gone forever. We must base our outlook on this region upon realities, and not upon myths which have crept back once again out of the 1880's and 1930's. The value of private building contracts for industrial plants in West Virginia was about 4.7 percent of the national total for such contracts during 1963—a significant figure considering the State has only 1 percent of the Nation's population. One of the counties in the Appalachian region in South Carolina has the highest average per capita income of any county in the State, and although no counties in the Appalachian region in South Carolina were eligible for assistance under the Area Redevelopment Act, only one was eligible for assistance under the Public Works Acceleration Act. All 49 counties included as Appalachia in Tennessee are in fact in the Tennessee Valley area. This is also a significant fact considering the economic improvements that the TVA has fostered in this region. Substantial portions of other States in Appalachia also lie within the boundaries established for the TVA. According to testimony before the subcommittee by the representative from Gov. John Rhodes, of Ohio, the counties of southern Ohio in Appalachia have a considerably higher average family income than the figure stated in the President's Appalachian Region Commission Report for the average in Appalachia. These vital facts go on and on. It looks to me like it would be exceedingly difficult for proponents of this bill from other sections of this country to justify the Fedreal Government acting, in addition to the Appalachian area and its inhabitants, on behalf of 39 other States and approximately 173 million other people outside of Appalachia, expending large sums of money on this one regional approach and denying similar funds for other lagging sections of the Nation.

The PARC report sets forth selected statistics which purport to show that the Appalachian region is lagging in economic development and is in need of special assistance from the Federal Government through massive new programs or duplicatory ones. This report was submitted to the Congress during the spring of 1964, but the statistics cited are almost entirely from 1960 and earlier years. Later statistics were not utilized. The statistics from 1960 and those from 1963 are very different. As so many people testified before the subcommittee, this region has experienced a renewal of economic activity during the past 4 years, and the prospects for the future look encouraging. The 1963 statistics reveal that fact—the 1960 ones do not. The report compares Appalachia to the national average—which is influenced by prosperous regions—instead of comparing Appalachia to other economically depressed areas such as the Great Lakes iron ore region, the Ozarks Mountain region, the Utah mining section, and so forth. The statistics are largely in terms of dollars and percentages, and do not consider other important items such as cost of living, property ownership, savings, credit, and so forth. Congress must satisfy itself, first, that the region is in desperate need of our Federal assistance; second, that it is severely suffering from economic depression—more so than other depressed areas; and third, that the State and local governments with private actions also included cannot handle the problems through their own initiative and financial resources, before it enacts this legislation.

A proposal to eliminate poverty is an attractive objective from a humane as well as a political objective. But in the interests of the people of Appalachia and the people of this Nation, this proposal must be examined with scrutiny to assure that it will actually be beneficial to the people who need the assistance, rather than merely aiding politicians in Washington, D.C.

The administration has spotlighted the plight of some of our allegedly less fortunate neighbors in one part of the country, and then raced about madly in all directions, even on Capitol Hill, ballyhooing a hastily drawn and ill-prepared Federal concept for eliminating poverty. This bill should not be entitled the Appalachian Regional Development Act of 1964, but rather the Politics and Poverty Misact of 1964.

RESTRICT THE IMPORTATION OF BEEF, VEAL, LAMB, AND MUTTON NOW

Mr. OLSEN of Montana. Mr. Speaker, I have introduced into the House today a resolution, House Resolution 812, that the House concur and agree to the Senate version of H.R. 1839 to restrict the importation of beef, veal, lamb, and mutton.

Many months ago I introduced a bill, H.R. 10082, in the House for the same purpose. Many other Members of the House did the same; however, the subject has never been brought up for hearing at this late date. The fastest and only method of legislative assistance for the cattlemen is for the House to pass my resolution. This would limit meat imports in general to the average for the 5-year period ending on December 31, 1963. It would assign strict quotas to beef-producing nations, setting an import ceiling 30 percent below last year's nonrestrictive quota.

The cattle industry is today one of the most significant elements in the American agricultural economy. For example, $1 of every $5 received from sales of agricultural products is derived from calves and cattle. Moreover, 80 percent of the U.S. corn crop and 70 percent of all harvested crops are consumed by American stock; and, of course, the beef industry indirectly affects the entire economy, from the large implement manufacturers to small local businesses.

The Senate passage of H.R. 1839 to restrict the importation of beef, veal, lamb, and mutton challenges the House of Representatives to respond in like manner to the problems facing American stockmen.

The establishment of import quotas will not, of course, completely solve the price dilemma which faces cattlemen. Yet imports add significantly to the low price problem; and the setting up of quotas would make a meaningful contribution to improving the outlook for the U.S. agricultural economy. A very few years ago, the beef imports constituted only from 2 percent to 4 percent of the total market. In 1963 the figure was over 11 percent. Such an increase must inevitably affect the domestic cattle raisers to a large degree. Furthermore, this great rise in imports occurred at a critical time when there was an increase in domestic production, thus aggravating an already adverse situation. American stockmen are certainly prepared to accept and deal with the normal cyclical fluctuations in the domestic beef market, but a new element has complicated their problems. It must be remembered that prior to 1958 the U.S. beef and cattle markets were, in effect, protected. The modification of the United Kingdom-Australian meat agreement in that year released a flood of Australian beef exports. The maintenance and increase of western European trade barriers has helped to concentrate this Australian increase on the already unstable beef market in the United States. American stockmen have suffered because of the actions of the United Kingdom in encouraging its own cattle industry. In my own State of Montana, a recent study shows that our State lost nearly $4 million in 1963 alone because of imports of beef and veal. How long can we allow this situation to exist?

It has been charged that congressional legislation of quotas would impair the position of the executive division of our Government in its negotiations in Geneva for a lowering of trade barriers. Yet this position is indeed open to question. While the United States provides fewer restrictions and higher prices than the other nations importing large quantities of meat, both Australia and New Zealand effectively prohibit importation of most meats. In view of this, it would seem that

a firm, resolute stand by the Congress of the United States would strengthen the American trade position, since it would show U.S. desire to rectify unfair and unbalanced trade situations. American negotiators in Geneva would be able to reach more equitable agreements if they were able to bargain on the basis of a clear statement of concern for domestic industries by the elected Representatives of the American people.

It has also been stated that establishment of beef import quotas would damage our relations with our allies, particularly Australia and New Zealand. This charge also seems questionable. We must remember that Germany recently increased tremendously their tariff on frozen chickens without damaging the United States-German alliance; and, as pointed out before, both Australia and New Zealand restrict importations of meats. The proposed American quota on beef is certainly a modest measure. Between allies a certain flexibility, a certain give and take is part of the normal course of relations. This import bill certainly falls in this category.

But one of the most important considerations which calls for passage of this bill lies in the prospects for the future of American stockmen. As the statements of cattle producers from all over the United States clearly indicate, the beef industry and related industries are deeply concerned over what seems to be a lack of interest and understanding by their elected Representatives. The future of cattle prices is uncertain and stockmen know it. A Department of Agriculture study indicates that domestic problems will continue for some time. Furthermore, the current lull in imports cannot be expected to continue indefinitely. When the present beef shortage on the world market ceases, foreign meats may flood America in greater quantities than ever before. The voluntary agreements thus far concluded do not really meet this situtation—by 1966 Ireland, Australia, and New Zealand will be able to ship more beef into the United States than they did even in 1963.

For all these reasons, I am urging the House to support my resolution, House Resolution 812. I have written the Committee on Rules and requested early hearings and favorable consideration.

GOVERNMENT EMPLOYEES SALARY REFORM ACT OF 1964

Mr. MURRAY submitted a conference report and statement on the bill (H.R. 11049) to adjust the rates of basic compensation of certain officers and employees in the Federal Government, and for other purposes.

ANNOUNCEMENT OF ADDITIONAL PROGRAM

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

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

There was no objection.

Mr. ALBERT. Mr. Speaker, I take this time to announce an addition to the program of the House.

The Committee on House Administration, tomorrow, will call up House Resolution 719 and House Resolution 800.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. THOMPSON of Louisiana (at the request of Mr. MORRISON), for an indefinite period, on account of illness.

Mr. ROBERTS of Alabama (at the request of Mr. JENNINGS), for today, tomorrow, and Wednesday, on account of illness.

Mr. WALLHAUSER (at the request of Mr. HALLECK), for an indefinite period, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. THOMPSON of Texas, for 30 minutes, today; to revise and extend his remarks, and include extraneous matter.

Mr. OLSEN of Montana, for 1 hour, today.

Mr. LAIRD, for 15 minutes, tomorrow, August 4.

Mr. HALPERN (at the request of Mr. SCHADEBERG), for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. SCHWENGEL (at the request of Mr. SCHADEBERG), for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MILLER of California.

Mr. PUCINSKI.

Mr. GROSS.

Mr. PHILBIN.

(The following Members (at the request of Mr. SCHADEBERG) and to include extraneous matter:)

Mr. TOLLEFSON.

Mr. HOSMER.

Mr. BATES.

(The following Members (at the request of Mr. MATSUNAGA) and to include extraneous matter:)

Mr. POWELL.

Mr. BURKHALTER.

Mr. RAINS.

Mrs. HANSEN.

Mr. MORRIS.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 970. An act to authorize the Secretary of Commerce to utilize funds received from State and local governments for special meteorological services; to the Committee on Interstate and Foreign Commerce.

S. 1666. An act to amend section 3 of the Administrative Procedure Act, chapter 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information, and for other purposes; to the Committee on the Judiciary.

S. 1778. An act to amend the Wool Products Labeling Act of 1939 to authorize the Federal Trade Commission to exclude from the provisions of that act wool products with respect to which the disclosure of wool fiber content is not necessary for the protection of the consumer; to the Committee on Interstate and Foreign Commerce.

S. 2552. An act to exempt oceanographic research vessels from the application of certain vessel inspection laws, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2995. An act to amend section 511(h) of the Merchant Marine Act (1936), as amended, in order to extend the time for commitment of construction reserve funds; to the Committee on Merchant Marine and Fisheries.

S. 3062. An act to provide for the withholding and the forfeiture of the pay and allowances of certain members of the uniformed services who, while prisoners of war, aid the enemy or are guilty of other misconduct, and for other purposes; to the Committee on Armed Services.

S. 3063. An act to amend title 10, United States Code, to make permanent the authority for flight instruction for members of Reserve Officers' Training Corps, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5302. An act to direct the Secretary of the Interior to convey certain lands in the Newton area, California, to Clarence J. Wilder;

H.R. 6007. An act to permit the vessel SC–1473 to engage in the fisheries;

H.R. 8523. An act to authorize the conveyance of certain lands to the city of Saxman, Alaska;

H.R. 8654. An act to terminate a restriction on use with respect to certain land previously conveyed to the city of Fairbanks, Alaska, and to convey to said city the mineral rights in such land; and

H.R. 10973. An act to provide for the disposition of judgment funds on deposit to the credit of the Lower Pend D'Oreille or Kalispel Tribe of Indians.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 978. An act to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that

that committee did on July 31, 1964, present to the President, for his approval, bills of the House of the following titles:

H.R. 4732. An act to change the name of the U.S. Olympic Association to the U.S. Olympic Committee;

H.R. 7419. An act to authorize the conclusion of agreements with Mexico for joint construction, operation, and maintenance of emergency flood control works on the lower Colorado River, in accordance with the provisions of article 13 of the 1944 Water Treaty with Mexico, and for other purposes;

H.R. 8954. An act to amend section 409 of title 37, United States Code, to authorize the transportation of house trailers and mobile dwellings of members of the uniformed services within the continental United States, within Alaska, or between the continental United States and Alaska, and for other purposes;

H.R. 9689. An act declaring a portion of Bayou Black and Bayou Terrebonne, La., nonnavigable waterways of the United States.

H.R. 11622. An act to permit the vessel U.S.S. *Alabama* to pass through the Panama Canal without payment of tolls;

H.R. 11754. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes; and

H.J. Res. 658. Joint resolution authorizing and requesting the President to proclaim 1964 and 1965 as a period to "See the United States," and for other purposes.

ADJOURNMENT

Mr. OLSEN of Montana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Tuesday, August 4, 1964, at 12 o'clock noon.

COMMITTEE EMPLOYEES

JULY 15, 1964.

COMMITTEE ON AGRICULTURE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John J. Heimburger	General counsel	$9,442.50
Francis M. Lemay	Staff consultant	9,442.50
Christine S. Gallagher	Clerk	8,813.00
Hyde H. Murray	Assistant clerk	8,615.04
George Missibeck	Printing editor	5,361.60
Lydia Vacin	Staff assistant	5,058.18
Betty M. Prezioso	do	5,058.18
Peggy J. Lamm	do	4,711.50
Martha S. Hannah	do	4,711.50
Jane C. Wojcik	do	4,538.10

INVESTIGATING STAFF

Robert C. Bruce	Assistant counsel	$5,058.18
Marjorie B. Johnson	Staff assistant	3,086.22
R. Carolyn Windsor	Staff assistant (April-June).	2,522.76
Douglas Hartzog	Staff assistant (June).	409.63
Jerry Lovell	do	409.63

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	23,337.72
Amount expended from Jan. 1 to June 30, 1964	11,892.11
Total amount expended from Jan. 1 1963, to June 30, 1964	35,229.83
Balance unexpended as of June 30, 1964	14,770.17

HAROLD D. COOLEY,
Chairman.

JULY 15, 1964.

COMMITTEE ON APPROPRIATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Kenneth Sprankle	Clerk and staff director.	$9,442.50
Paul M. Wilson	do	9,442.50
Carson W. Culp	Staff assistant	9,367.26
Robert M. Moyer	do	9,179.22
Jay B. Howe	do	9,179.22
Ross P. Pope	do	9,179.22
Frank P. Sanders	do	9,179.22
G. Homer Skarin	do	9,179.22
Eugene B. Wilhelm	do	9,179.22
Robert L. Michaels	do	9,179.22
Aubrey A. Gunnels	do	8,615.04
Robert P. Williams	Editor	7,768.86
George E. Evans	Staff assistant	7,674.84
Francis G. Merrill	do	7,674.84
Earl C. Silsby	do	7,204.68
Samuel R. Preston	do	6,577.88
Keith F. Mainland	do	5,739.16
Lawrence C. Miller	Assistant editor	5,253.24
George A. Urian	Clerical assistant	4,494.78
Stephen B. Miller	do	4,169.70
James E. Moore	do	4,169.70
Austin G. Smith	do	3,953.04
Randolph Thomas	Messenger	2,706.96
Isabelle Gladney	Clerk to the majority.	6,669.95
Mabel E. Hammett	Clerk-stenographer	4,169.70
Grace W. Beirne	do	4,169.70
Patrick N. Hayes	do	4,169.70
William J. Neary	do	3,302.94
Harry E. Reynolds	do	4,169.70
John A. Ringwald	do	3,627.96
Mary L. Schwarzmann.	do	4,169.70
Mary H. Smallwood	do	4,169.70
Mary A. Spriggs	do	694.95
Janice J. Stalcup	do	4,169.70
Phyllis N. Troy	do	3,953.04
Mary F. Wilson	do	3,411.24
George S. Green	Clerk to the minority.	8,615.04
Agnes Ainilian	Clerk-stenographer	4,061.36
William J. Baroody	do	4,169.70
Alice Beach	do	3,844.68
James H. Bersie	do	3,454.62
Josephine Birdsall	do	4,169.70
Jessemine A. Falls	do	4,169.70
Catherine L. Kennett	do	4,169.70
Sophia Moreland	do	3,562.92
Geoffrey L. Nichols	do	3,627.96
Clara B. Posey	do	4,169.70
Ruth V. Hedgecock	do	2,779.80

Amount expended from Jan. 1 to June 30, 1964	$270,152.38
Total amount expended from July 1, 1963, to June 30, 1964	530,727.65

GEORGE MAHON,
Chairman.

JULY 15, 1964.

COMMITTEE ON APPROPRIATIONS
(INVESTIGATIONS STAFF)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Leonard M. Walters	Director, surveys and investigations staff (to May 1, 1964).	$5,693.24
Rowland C. Halstead	Director, surveys and investigations staff.	8,025.84
Leo E. Conroy	Assistant director, surveys and investigations staff.	8,615.08
Charles Bolz	do	2,846.62
Lillian M. Mackie	Stenographer	3,994.56
Mary A. Sauer	do	3,745.34

REIMBURSEMENTS TO GOVERNMENT AGENCIES

Name of employee	Profession	Total gross salary during 6-month period
Agency for International Development:		
McFeaters, M.C.	Investigator	$9,265.25
Agriculture, Department of:		
Barker, C.	do	5,201.44
Johnson, H. S.	Editorial assistant	4,429.98
Kelly, J. T.	Investigator	3,246.17
Meredith, M. B.	Editorial assistant	1,848.05
Air Force, Department of the:		
Tuomey, J. C.	Investigator	4,966.65
Atomic Energy Commission:		
Scammahorn, J. J.	do	6,401.39
Bureau of the Budget:		
Harrison, W. W.	do	5,567.30
Commerce, Department of:		
Jenkins, W. B.	do	10,297.72
Sharp, J. C.	do	2,144.83
Defense, Department of:		
Banks, M.	Stenographer	3,759.31
Federal Bureau of Investigation:		
Bennett, C. L.	Investigator	8,758.16
Billings, C. G.	do	4,370.00
Bolz, C.	do	6,637.12
Carson, W. D.	do	8,985.20
Cashin, F. L.	do	4,756.40
Cunningham, J. F.	do	4,969.20
Elder, J. L.	do	5,570.40
Franklin, R. M.	do	8,093.36
Good, H. F.	do	5,157.20
Health benefits fund		805.61
Ivy, C. M.	Investigator	8,280.56
Law, S. W.	do	2,703.68
Life insurance fund		455.34
Lipscomb, W. P.	Investigator	6,376.88
McDowell, L. L.	do	8,338.08
McEliece, R. F.	do	8,093.36
Murphy, P. J.	do	8,093.36
Reproduction of staff exhibits.		341.26
Retirement fund		8,711.27
Shannon, A. J.	Investigator	696.96
Singman, M.	do	6,899.20
Talley, R. E.	do	3,983.60
Tompkins, C. D.	do	4,894.80
Torrence, R. E.	do	5,721.60
Trofast, G. A.	do	5,796.08
Van Wagoner, R.	do	8,758.16
Wood, H. B.	do	8,758.16
General Services Administration:		
Boyles, C. E.	do	6,106.88
Interior, Department of the:		
Koop, W. F.	do	6,389.08
Labor, Department of:		
Mayernik, M. C.	do	5,756.04
Library of Congress:		
Rose, J. K.	do	11,228.80
National Aeronautics and Space Administration:		
Bell, R. L.	do	1,975.09
Biggs, J. R.	do	4,669.58

REIMBURSEMENTS TO GOVERNMENT AGENCIES—continued

Name of employee	Profession	Total gross salary during 6-month period
Navy, Department of the:		
Dunnington, R. H.	Investigator	$2,837.44
Small Business Administration:		
Harvith, A. J.	do	5,350.06
Tennessee Valley Authority:		
Gardner, M. F.	do	4,281.59
Keaton, H. G.	do	4,841.97
Lesesne, E. H.	do	2,369.11
Veterans' Administration:		
Jacobs, L. D.	do	2,657.92
Travel and miscellaneous expense		60,145.35

Funds authorized or appropriated for committee expenditures	$660,000.00
Amount of expenditures previously reported	203,996.67
Amount expended from Jan. 1 to June 30, 1964	363,662.68
Total amount expended from July 1, 1963, to June 30, 1964	567,659.35
Balance unexpended as of June 30, 1964	92,340.65

GEORGE MAHON,
Chairman.

JULY 1, 1964.

COMMITTEE ON ARMED SERVICES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John R. Blandford	Chief counsel	$9,442.50
Philip W. Kelleher	Counsel	9,414.30
Frank M. Slatinshek	do	9,414.30
William H. Cook	do	8,502.24
Earl J. Morgan	Professional staff member.	8,502.24
Oneta L. Stockstill	Executive secretary	5,909.76
Berniece Kalinowski	Secretary	5,253.04
L. Louise Ellis	do	5,253.04
Edna E. Johnson	do	5,253.04
Dorothy R. Britton	do	5,253.04
Doris L. Scott	do	3,606.30
James A. Deakins	Bill clerk	4,007.16

SUBCOMMITTEE FOR SPECIAL INVESTIGATIONS (PURSUANT TO H. RES. 84, 146, AND 607, 88TH CONG.)

John T. M. Reddan	Counsel	$9,414.30
Walton Woods	Investigator	8,144.94
Phyllis Seymour	Secretary	5,004.06
Adeline Tolerton	Clerk	3,476.28
Rose Beck	Secretary (from Mar. 23, 1964).	1,975.22
Barbara Tippett	Secretary (to Feb. 29, 1964).	1,137.08

Funds authorized or appropriated for committee expenditures (H. Res. 146 and 607)	$150,000.00
Amount of expenditures previously reported	55,917.14
Amount expended from Jan. 1 to July 1, 1964	32,616.58
Total amount expended from Jan 1, 1963, to July 1, 1964	88,533.72
Balance unexpended as of July 1, 1964	61,466.28

CARL VINSON,
Chairman.

JULY 8, 1964.

COMMITTEE ON BANKING AND CURRENCY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

STANDING COMMITTEE

Name of employee	Profession	Total gross salary during 6-month period
William Summers Johnson.	Clerk and staff director (through Jan. 31, 1964).	$1,573.75
John R. Stark	Clerk and staff director (as of Feb. 1, 1964).	7,868.75
John E. Barriere	Professional staff member.	9,422.50
Orman S. Fink	Minority professional staff member.	9,422.50
Paul F. Jessup	Economist	4,251.00
Marguerite Bean	Assistant clerk	6,452.52
Roger J. Brown	Editor	6,424.32
Jane M. Deem	Administrative assistant.	5,004.06
Mary W. Layton	Secretary to minority.	5,568.42
Margaret H. Moorhous.	Assistant clerk	4,202.22
Regina Swanner	do	4,202.22
Total		64,392.26

INVESTIGATING COMMITTEE EMPLOYEES (H. RES. 228 AND H. RES. 547)

Name of employee	Profession	Total gross salary during 6-month period
Beller, Charles S.	Counsel (Subcommittee on Bank Supervision and Insurance).	$8,652.66
Brunner, Karl	Economist	5,501.10
Clark, James D.	Research assistant (as of June 1, 1964).	406.02
Fasteau, Marc S.	Research assistant (through Feb. 15, 1964).	812.19
Frank, Walter S.	Economist (Apr. 1, 1964, to May 31, 1964).	1,001.64
Fulton, Wilbur D.	Minority professional staff member (as of Jan. 15, 1964).	7,868.75
Hayden, Helen E.	Assistant clerk	3,852.81
Hill, George C.	do	4,202.22
Hill, Stephen P.	Assistant clerk (as of Mar. 1, 1964).	1,667.40
Holstein, Charles B.	Professional staff member (Subcommittee on Consumer Affairs).	9,442.50
Jacobs, Donald P.	Economist (as of June 1, 1964).	600.15
Johnson, Byron L.	Senior economist (Mar. 4, 1964, to May 10, 1964).	3,514.70
Kennedy, Stephen D.	Research assistant (as of Jan. 2, 1964).	3,150.41
Koepenick, Edward L., III.	Assistant clerk (through Mar. 15, 1964).	1,055.66
Lerner, Eugene M.	Senior economist (through Jan. 3, 1964).	62.99
Meiselman, David I.	Senior economist (through Jan. 10, 1964).	104.90
Meltzer, Allan H.	Economist	5,501.10
Mitchell, Mildred S.	Assistant clerk (as of June 1, 1964).	666.96
Morse, Alvin Lee	Counsel (as of Feb. 17, 1964).	5,584.00

INVESTIGATING COMMITTEE EMPLOYEES (H. RES. 228 AND H. RES. 547)—continued

Name of employee	Profession	Total gross salary during 6-month period
Pontecorvo, Giulio	Economist (as of Mar. 1, 1964).	$1,158.48
Roberts, Harriet L.	Staff assistant	3,953.04
Robinson, Donald L.	Professional staff member (Subcommittee on International Finance).	4,251.00
Schulkin, Peter A.	Research assistant	1,504.68
Scott, Ira O., Jr.	Senior economist (Jan. 1, 1964, to Feb. 15, 1964; reemployed on Mar. 1, 1964).	4,162.10
Vaughn, Donald G.	Assistant clerk (through Mar. 31, 1964; reemployed as administrative assistant on June 25, 1964).	2,224.90
		999.85
Walton, Jonathan R.	Research assistant (through Feb. 29, 1964).	
Watson, Winston Lee	Research assistant (as of June 1, 1964).	387.96
Weintraub, Robert E.	Senior economist (through Jan. 31, 1964).	629.94
Whitaker, Gilbert R., Jr.	Economist (as of June 1, 1964).	600.15
Young, Doris M.	Assistant clerk (Subcommittee on International Trade).	4,169.70
Total		92,005.37

SUBCOMMITTEE ON HOUSING (EMPLOYEES PURSUANT TO H. RES. 204, H. RES. 528, AND H. RES. 735)

Barnes, Linda M.	Secretary (through Mar. 31, 1964).	$1,258.60
Burrows, Kenneth W.	Housing economist	8,994.28
Cameron, Jean	Research assistant (through May 31, 1964).	3,926.25
Hamilton, Eleanor	Research assistant	3,795.90
Hudnall, Rebecca J.	Secretary (Mar. 23 to Apr. 30, 1964).	530.30
Ireland, Casey	Minority staff member.	7,500.90
Leary, Margaret J.	Secretary (as of June 1, 1964).	700.37
McEwan, John J., Jr.	Deputy staff director.	9,462.50
Perry, Grady, Jr.	Clerk	8,511.66
Stark, John R.	Professional staff member (Jan. 1 to Jan. 31, 1964).	1,573.75
Tucker, Margaret E.	Secretary	4,707.86
Weintraub, Robert E.	Senior economist (as of Feb. 1, 1964).	8,498.69
Total		59,461.06

Funds authorized or appropriated for committee expenditures	$680,000.00
Amount of expenditures previously reported	268,454.54
Amount expended from Jan. 1 to June 30, 1964	170,230.75
Total amount expended from Jan. 1, 1963, to June 30, 1964	438,685.29
Balance unexpended as of June 30, 1964	241,314.71

WRIGHT PATMAN,
Chairman.

JULY 13, 1964.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person em-

ployed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Hayden Garber	Counselor (P)	$8,615.04
Clayton Gasque	Staff director (P)	7,016.64
Donald J. Tubridy	Minority clerk (P)	6,452.52
Leonard O. Hilder	Investigator (P)	6,358.50
James T. Clark	Clerk (C)	9,442.50
Ellen M. Coxeter	Assistant clerk (C)	4,500.18
Jennie H. (Owings) Cavanaugh	do	4,018.02
Jean Quarles	do	4,018.02
Frances D. Nolan	Clerk (C)	3,325.63
Standing comm., total		53,747.05
Thomas M. Owen III.	Investigator, Special and Select Committee on Urban Renewal.	3,503.34
Harry Barber	Consultant, under contract investigating urban renewal program.	4,000.00

Funds authorized or appropriated for committee expenditures	$25,000.00
Amount of expenditures previously reported	
Amount expended from July 1 to Dec. 31, 1963	540.74
Total amount expended from Jan. 1 to June 30, 1964	7,730.78
Balance unexpended as of June 30, 1964	8,215.84

JOHN L. MCMILLAN,
Chairman.

JULY 14, 1964.

COMMITTEE ON EDUCATION AND LABOR

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Louise M. Dargans	Chief clerk	$9,442.50
Russell C. Derrickson	Staff director	9,442.50
Deborah Partridge Wolfe.	Chief of education	9,442.50
Odell Clark	Chief investigator	7,002.54
Ernesto Galarza	Chief counsel for labor management (to Jan. 31, 1964).	1,573.75
Edward Wynne	Chief counsel for labor management (from Feb. 1, 1964, to Mar. 31, 1964).	3,147.50
Leon Abramson	Chief counsel for labor management (from Apr. 1, 1964).	4,001.97
Louise M. Wright	Administrative assistant.	4,548.96
Jeanne E. Thomson	do	4,548.96
Corrine Annette Huff	Secretary	3,752.56
Minority:		
Philip Ray Rodgers	Minority clerk and counsel.	9,442.50
Charles W. Radcliffe	Minority counsel for education.	7,002.54

Amount expended from Jan. 1 to June 30, 1964	$73,348.78
Total amount expended from Jan. 1 to June 30, 1964	73,348.78

ADAM C. POWELL,
Chairman.

JULY 14, 1964.

COMMITTEE ON EDUCATION AND LABOR
(INVESTIGATIVE STAFF)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Donald F. Berens	Administrative assistant.	$4,548.96
Aurora E. Harris	Secretary	3,752.58
Sandra L. Paxton	do	3,337.22
Mary L. Shuler	do	3,254.16
John Everett Warren	Assistant clerk	1,288.02
Helen L. White	Administrative assistant (to Feb. 7, 1964).	705.07
Goldie A. Baldwin	Administrative assistant (from Feb. 10, 1964).	2,549.09
Donald Louis Anderson.	Assistant labor counsel (from Mar. 5, 1964).	2,418.33
Robert P. Young	Administrative assistant (from Feb. 10 to May 31, 1964).	2,006.73
Ridgely Jones	Administrative assistant (from Apr. 1 to May 31, 1964).	1,411.58
Harriett W. Ziskin	Assistant to Education Chief (from Apr. 20, 1964).	1,480.18
Grace S. Jackson	Assistant clerk (from June 1, 1964).	491.79
MINORITY		
Beverly Pearson	Minority secretary (to Feb. 29, 1964).	1,250.86
Annette S. Guibord	Minority secretary (from Mar. 1, 1964).	1,602.40
Crawford C. Heerlein	Administrative assistant (from Mar 16, 1964).	3,356.85
Robert D. Olson	Minority associate counsel (from Apr 1, 1964).	2,250.09
James W. Shue	Minority staff assistant (from June 1, 1964).	366.99
Travel and miscellaneous expense.		3,623.84

GENERAL SUBCOMMITTEE ON EDUCATION NO. 1
(CARL D. PERKINS, CHAIRMAN)

Freda Tuttle	Secretary	$3,445.56
Hartwell Duvall Reed, Jr.	Counsel	8,510.08
Miscellaneous expense		8.25
Funds appropriated for subcommittee expense.		25,000.00
Amount expended from Jan. 1 to June 30, 1964.		11,963.89
Balance unexpended as of June 30, 1964.		13,036.11

GENERAL SUBCOMMITTEE ON LABOR NO. 2
(JAMES ROOSEVELT, CHAIRMAN)

Jay W. Foreman	Counsel (to Jan. 31, 1964).	$916.87
John D. Schuyler	Counsel (from Feb. 1, 1964).	4,580.05
Cleomine B. Lewis	Clerk (from Feb. 1, to Mar. 6, 1964).	700.67

GENERAL SUBCOMMITTEE ON LABOR NO. 2 (JAMES ROOSEVELT, CHAIRMAN)—continued

Name of employee	Profession	Total gross salary during 6-month period
Adrienne Fields	Clerk	$3,201.41
Travel and miscellaneous expense.		2,983.19
Funds appropriated for subcommittee expense.		25,000.00
Amount expended from Jan. 1 to June 30, 1964.		12,382.19
Balance unexpended as of June 30, 1964.		12,617.81

SPECIAL SUBCOMMITTEE ON EDUCATION NO. 3
(EDITH GREEN, CHAIRMAN)

William F. Gaul	Counsel	$5,036.52
Betty A. Pryor	Clerk	6,005.84
Travel and miscellaneous expense.		1,124.20
Funds appropriated for subcommittee expense.		25,000.00
Amount expended from Jan. 1 to June 30, 1964.		12,166.56
Balance unexpended as of June 30, 1964.		12,833.44

SPECIAL SUBCOMMITTEE ON LABOR NO. 4
(FRANK THOMPSON, JR., CHAIRMAN)

Robert E. McCord	Subcommittee clerk	$7,500.90
Mary E. Corbin	Secretary	3,747.18
Ellen K. Moffett	Assistant clerk (from Apr. 1, 1964).	358.25
Mark Morris	Assistant clerk (from June 15, 1964).	53.74
Miscellaneous expense		6.65
Funds appropriated for subcommittee expense.		25,000.00
Amount expended from Jan. 1, to June 30, 1964.		11,666.72
Balance unexpended as of June 30, 1964.		13,333.28

SELECT SUBCOMMITTEE ON EDUCATION NO. 5
(JOHN H. DENT, CHAIRMAN)

Rosalind M. Black	Secretary (to Mar. 31, 1964).	$1,502.46
A. R. Kelley	Assistant clerk	1,503.24
John C. Muntone	Counsel (to Mar. 31, 1964).	3,000.60
Barbara L. Rigito	Secretary (to Mar. 31, 1964).	
Eleanor Carson Keown.	Clerk (from Apr. 1, 1964).	1,502.46
Herman Mihalich	Counsel (from Apr. 1, to May 31, 1964).	1,833.74
Gordon Clagett	Assistant clerk (from May 1, 1964).	501.08
Kassion A. Kovalcheck, Jr.	Assistant clerk (from June 1, 1964).	250.54
Harry Wright	Director (from June 1, 1964).	916.87
Travel and miscellaneous expense.		104.17
Funds appropriated for subcommittee expense.		25,000.00
Amount expended from Jan. 1 to June 30, 1964.		11,866.78
Balance unexpended as of June 30, 1964.		13,133.22

SELECT SUBCOMMITTEE ON LABOR NO. 6
(ELMER J. HOLLAND, CHAIRMAN)

Name of employee	Profession	Total gross salary during 6-month period
Anne Marie Southworth.	Assistant clerk (to Jan. 15, 1964).	$175.29
Olive M. Gibbons	Secretary (to Mar. 21, 1964).	1,444.87
Curtis C. Aller	Director	8,605.68
Walter James Graham, Jr.	Clerk (from Mar. 1, 1964).	2,194.73
Lee Dale	Assistant clerk (from June 1, 1964).	99.83
Travel and miscellaneous expense.		1,821.12
Funds appropriated for subcommittee expense.		25,000.00
Amount expended from Jan. 1 to June 30, 1964.		14,341.52
Balance unexpended as of June 30, 1964.		10,658.48

AD HOC SUBCOMMITTEE ON A NATIONAL RESEARCH DATA PROCESSING AND INFORMATION RETRIEVAL CENTER NO. 7
(ROMAN C. PUCINSKI, CHAIRMAN)

Patricia A. Kuta	Clerk (to Jan. 31, 1964).	$542.36
Patricia Marie Matthews.	Clerk (from Feb. 1, 1964).	2,914.95
Travel and miscellaneous expense.		1,335.36
Funds appropriated for subcommittee expense.		7,000.00
Amount of expenditures previously reported.		2,169.44
Amount expended from Jan. 1 to June 30, 1964.		4,792.67
Total amount expended from Aug. 26, 1963, to June 30, 1964.		6,962.11
Balance unexpended as of June 30, 1964.		37.89

AD HOC SUBCOMMITTEE ON ST. ELIZABETHS HOSPITAL NO. 8 (DOMINICK V. DANIELS, CHAIRMAN)

Emory W. Reisinger II.	Counsel (to Jan. 31, 1964).	$867.42
Cleomine B. Lewis	Clerk (to Jan. 31, 1964).	542.36
Travel and miscellaneous expense.		223.70
Funds appropriated for subcommittee expense.		5,000.00
Amount of expenditures previously reported.		2,369.18
Amount expended from Jan. 1 to June 30, 1964.		1,633.48
Total amount expended from Oct. 16, 1963, to June 30, 1964.		4,002.66
Balance unexpended as of June 30, 1964.		997.34

Funds authorized or appropriated for committee expenditures $100,000.00

Amount of expenditures previously reported
Amount expended from Jan. 1 to June 30, 1964 39,694.74

Total amount expended from Jan. 1 to June 30, 1964 39,694.74
Balance unexpended as of June 30, 1964 60,305.26

ADAM C. POWELL,
Chairman.

JULY 6, 1964.

COMMITTEE ON FOREIGN AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Boyd Crawford	Staff administrator	$9,442.50
Roy J. Bullock	Senior staff consultant.	9,334.38
Albert C. F. Westphal	Staff consultant	9,334.38
Franklin J. Schupp	do	9,249.72
Robert F. Brandt	Investigator-consultant.	9,099.30
Harry C. Cromer	Staff consultant	8,887.74
Philip B. Billings	Special assistant	7,674.84
Marian A. Czarnecki	Staff consultant	8,563.38
Melvin O. Benson	do	8,253.06
June Nigh	Senior staff assistant	7,491.48
Helen C. Mattas	Staff assistant	6,424.32
Helen L. Hashagen	do	6,287.94
Mary Louise O'Brien	do	6,189.24
Mary Medsger	do	4,337.70
Doris B. McCracken	do	5,253.24
Jean E. Smith	do	3,503.34
Robert J. Bowen	Clerical assistant	4,213.08

Funds authorized or appropriated for committee expenditures $217,500.00

Amount of expenditures previously reported 86,398.95
Amount expended from Jan. 1 to June 30, 1964 46,987.27

Total amount expended from Jan. 1, 1963, to June 30, 1964 133,386.22

Balance unexpended 84 113.78

THOMAS E. MORGAN,
Chairman.

JULY 1, 1964.

COMMITTEE ON GOVERNMENT OPERATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Expenses, Jan. 1 to June 30, 1964:
- Full committee $999.57
- Executive and Legislative Reorganization Subcommittee 37,848.30
- Military Operations Subcommittee 35,130.93
- Government Activities Subcommittee 28,408.21
- Intergovernmental Relations Subcommittee 46,739.08
- Natural Resources and Power Subcommittee 42,975.57
- Foreign Operations and Government Information Subcommittee $49,003.01
- Legal and Monetary Affairs Subcommittee 23,902.85
- Special Subcommittee on Death Valley National Monument 3,790.95

Total 268,798.47

Salaries, full committee, Jan. 1 to June 30, 1964:

Christine Ray Davis, staff director	9,442.50
James A. Lanigan, general counsel	9,442.50
Miles Q. Romney, associate general counsel	8,003.94
Earle J. Wade, staff member	6,734.58
Dolores Fel'Dotto, staff member	4,754.82
Ann E. McLachlan, staff member	4,700.64
Patricia M. Maheux, staff member	4,700.64
Charlotte C. Bickett, staff member	4,278.06
Raymond T. Collins, minority professional staff member (Jan. 5 to June 30, 1964)	6,846.93
John Philip Carlson, minority counsel	7,919.28
Malcolm K. Edwards, minority professional staff member (Jan. 1-4, 1964)	177.87
Expenses, Jan. 1 to June 30, 1964: Full committee, travel, publications, telephone, stationery, supplies, etc.	999.57
Executive and Legislative Reorganization Subcommittee (Hon. William L. Dawson, chairman):	
Elmer W. Henderson, counsel	8,883.06
Arthur Perlman, investigator	7,594.92
Louis I. Freed, investigator (Apr. 1 to June 30, 1964)	3,750.45
Francis J. Schwoerer, staff member	5,350.74
Peter S. Barash, assistant counsel (Jan. 7 to June 30, 1964)	4,350.17
Veronica B. Johnson, clerk	4,278.06
John L. Dodson, clerical staff	2,501.10
Salig Lee Bendit, research assistant (Jan. 1-31, 1964)	792.47
Expenses	347.33
Total	37,848.30
Military Operations Subcommittee (Hon. Chet Holifield, chairman):	
Herbert Roback, staff administrator	9,442.50
John Paul Ridgely, investigator	6,170.46
Douglas G. Dahlin, staff attorney	1,351.09
Robert J. McElroy, investigator (Jan. 1 to Feb. 29; Mar. 5 to June 30, 1964)	4,712.75
Catherine L. Koeberlein, research assistant	4,480.34
Mollie Jo Hughes, clerk-stenographer	4,278.06
Expenses	4,695.73
Total	35,130.93
Government Activities Subcommittee (Hon. Jack Brooks, chairman):	
Ernest Cornish Baynard, staff administrator	7,402.14
Daniel L. Power, investigator	4,703.37
William David Allred, research assistant	4,202.22
Roland J. Williams, investigator	4,001.76
Irma Reel, clerk	4,066.80
Lynne Higginbotham, clerk-stenographer	3,600.90
Expenses	431.02
Total	28,408.21
Intergovernmental Relations Subcommittee (Hon. L. H. Fountain, chairman):	
James R. Naughton, counsel	8,286.00
Delphis C. Goldberg, professional staff member	8,286.00
Herbert B. Warburton, minority counsel	7,919.28
George O. Serini, investigator	6,424.32
William Donald Gray, research analyst	5,878.74
Eileen M. Anderson, clerk-stenographer	4,278.06
Bebe B. Terry, clerk-stenographer	4,061.40
Expenses	1,605.28
Total	46,739.08
Natural Resources and Power Subcommittee (Hon. Robert E. Jones, chairman):	
Phineas Indritz, counsel	8,615.04
Sidney McClellan, professional staff member	7,331.64
George L. Milstead, investigator	5,253.24
Catherine L. Hartke, stenographer	4,278.06
Josephine Scheiber, research analyst	3,497.94
Francine Shacter, clerk-stenographer	3,497.94
Richard Arens, assistant counsel (Apr. 20-30, 1964)	366.74
Maurice B. Tobin, assistant counsel (Jan. 1-Mar. 31, 1964)	2,250.09
Daniel A. Kavanaugh, assistant counsel (Jan. 1-31, 1964)	867.42
Expenses	7,017.46
Total	42,975.57
Foreign Operations and Government Information Subcommittee (Hon. John E. Moss, chairman):	
Samuel J. Archibald, staff administrator	8,615.04
Vincent J. Augliere, chief adviser	8,253.06
David Glick, chief counsel	7,762.60

Expenses, Jan. 1 to June 30, 1964—Continued	
Jack Matteson, chief investigator	$7,486.80
Benny L. Kass, assistant counsel	4,520.06
Helen K. Beasley, stenographer	4,278.06
Glenna G. Donat, secretary	3,169.26
William G. Barnaby, Jr., research assistant (Jan. 1 to Mar. 31, 1964)	2,139.03
Expenses	2,779.10
Total	49,003.01
Legal and Monetary Affairs Subcommittee (Hon. Dante B. Fascell, chairman):	
M. Joseph Matan, staff administrator	8,286.00
Charles Rothenberg, counsel	7,703.04
Clara Katherine Armstrong, clerical staff	3,860.94
Millicent Y. Myers, stenographer	3,953.04
Expenses	99.83
Total	23,902.85
Special Subcommittee on Death Valley National Monument (Hon. John E. Moss, chairman):	
Expenses (total)	3,790.95
Funds authorized or appropriated for committee expenditures	1,200,000.00
Amount of expenditures previously reported	508,895.74
Amount expended from Jan. 4 to Dec. 31, 1963	508,895.74
Total amount expended from Jan. 1, to June 30, 1964	268,798.47
Balance unexpended as of June 30, 1964	422,305.79

WILLIAM L. DAWSON,
Chairman.

JULY 15, 1964.

COMMITTEE ON HOUSE ADMINISTRATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Julian P. Langston	Chief clerk	$9,442.50
Marjorie Savage	Assistant clerk	8,144.94
Louis Silverman	do	5,775.30
Mary F. Stolle	do	4,169.70

Funds authorized or appropriated for committee expenditures	$5,000.00
Amount of expenditures previously reported	785.42
Amount expended from Jan. 1 to June 30, 1964	697.95
Total amount expended from Jan. 1, 1963, to June 30, 1964	1,483.37
Balance unexpended as of June 30, 1964	3,516.63

OMAR BURLESON,
Chairman.

JULY 2, 1964.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from Januray 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Professional staff:		
Sidney L. McFarland.	Professional staff director and engineering consultant.	$9,245.04
T. Richard Witmer	Counsel and consultant on national parks.	8,915.94
John L. Taylor	Consultant on territorial and Indian affairs.	8,915.94
Milton A. Pearl	Consultant on mining, minerals, and public lands.	8,915.94
Clerical staff:		
Nancy J. Arnold	Chief clerk	7,975.68
Dixie S. Barton	Clerk	4,576.02
Patricia Ann Murray.	do	4,576.02
Virginia E. Bedsole	do	4,364.76
Patricia B. Freeman.	do	4,072.20
Susan A. Whitener	do	3,822.96

Funds authorized or appropriated for committee expenditures	$60,000.00
Amount of expenditures previously reported	17,143.73
Amount expended from Jan. 1, 1964, to June 30, 1964	23,307.19
Total amount expended from Jan. 3, 1963, to June 30, 1964	40,450.92
Balance unexpended as of June 30, 1964	19,549.08

WAYNE N. ASPINALL,
Chairman.

JULY 2, 1964.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Clerical staff:		
W. E. Williamson	Clerk	$9,442.48
Kenneth J. Painter	First assistant clerk	7,834.66
Marcella Fencl	Assistant clerk	4,895.68
Glenn L. Johnson	Printing editor	6,640.55
Joanne C. Neuland	Clerical assistant	4,115.54
Mildred H. Lang	do	4,115.54
Mary Ryan	do	4,115.54
Elsie M. Karpowich.	do	4,115.54
Roy P. Wilkinson	Assistant clerk	3,898.84
Marion M. Burson	Staff assistant (minority).	8,342.40
Helen M. Dubino	Staff assistant, minority (from June 1, 1964) (H. Res. 17 and H. Res. 588).	1,279.14
Professional staff:		
Andrew Stevenson	Expert	9,442.48
Kurt Borchardt	Legal counsel	9,442.48
George W. Perry	Professional staff member (to Apr. 12, 1964).	5,068.35
William J. Dixon	Professional staff member (from Apr. 13, 1964).	3,475.79
James M. Menger, Jr.	Professional staff member.	9,359.44
Additional temporary employees under H. Res. 17 and H. Res. 588:		
Gladys Johnson	Clerical assistant	$4,765.65
William T. Denman III.	Staff assistant (Subcommittee on Transportation and Aeronautics).	6,001.19
John A. Canfield	Staff assistant (Subcommittee on Commerce and Finance).	6,001.19
Clark Crocker de Schweinitz.	Staff assistant (Subcommittee on Communications and Power) (from June 1, 1964).	424.07
William W. Gauldin.	Staff assistant (Subcommittee on Public Health and Safety) (from Mar. 1, 1964).	3,482.16
Rosalee Ann Peterson.	Minority clerical assistant.	3,288.26
Carolyn Sue Browning.	do	3,302.91
Lewis E. Berry, Jr.	Minority counsel	9,442.48
Charles L. Honey, Jr.	Staff assistant	5,402.94
Wallace L. Briscoe	do	6,001.19
Terry Randal Smith.	Messenger (from Mar. 1 to 31, 1964).	387.96
Joseph Clifford Eason.	do	387.96
Cecil McBryde, Jr.	Messenger (from Apr. 1 to 30, 1964).	387.96
Tom Raney Anderson.	do	387.96
John Ed McGoogan.	Messenger (from May 1 to 31, 1964).	387.96
Gary Stiles	Messenger (from June 1 to 30, 1964).	387.96
Carl Edward Parker, Jr.	do	387.96
Special Subcommittee on Investigations:		
Charles P. Howze, Jr.	Chief counsel	9,386.06
George W. Perry	Associate counsel (from Apr. 13, 1964).	3,475.79
Herman Clay Beasley.	Subcommittee chief clerk.	7,759.44
Stuart C. Ross	Consultant	9,381.36
Zelig Robinson	Staff attorney	6,001.18
Elizabeth G. Paola	Clerical assistant	4,115.54
Catherine C. McLees.	do	4,115.54
Mary E. Bainbridge.	Stenographer-clerk	3,790.49
Dorothy Dimpel	Stenographer-clerk	3,790.49
Victoria Williams	Clerical assistant (from Jan. 8, 1964).	3,632.55

Funds authorized or appropriated for committee expenditures 1964	$319,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 1 to June 30, 1964	110,958.04
Total amount expended from Jan. 1 to June 30, 1964	110,958.04
Balance unexpended as of July 1, 1964 (approximate)	208,041.96

OREN HARRIS,
Chairman.

JULY 15, 1964.

COMMITTEE ON THE JUDICIARY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from

January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bess E. Dick	Staff director	$9,442.50
William R. Foley	General counsel	9,442.50
Walter M. Besterman	Legislative assistant	9,442.50
Murray Drabkin	Counsel	9,099.30
Stuart H. Johnson, Jr.	do	9,099.30
Garner J. Cline	Assistant counsel	6,828.60
William H. Copenhaver.	Associate counsel	7,129.50
Carrie Lou Allen	Clerical staff	4,494.78
Gertrude C. Burak	do	4,928.16
Anne J. Berger	do	6,264.48
Jane C. Caldwell	do	4,819.86
Frances F. Christy	do	5,568.42
Mary DeMatties	do	4,386.42

SALARIES PAID JAN. 1 THROUGH JUNE 30, 1964, PURSUANT TO H. RES. 36, H. RES. 100, AND H. RES. 587, 88TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Appel, Leonard	Assistant counsel (as of Feb. 1, 1964).	$6,630.55
Beland, Lorraine W.	Clerical staff	4,083.06
Benn, Donald G.	Assistant counsel	6,057.60
Cors, Allan D.	Deputy associate counsel.	4,668.12
Cuddy, Karen M.	Clerical staff (through Jan. 31, 1964).	553.19
Eisenberg, Roberta E.	Clerical staff	4,169.70
Fuchs, Herbert	Counsel (as of Mar. 1, 1964).	5,806.08
Greenwald, Andrew E.	Clerical staff (as of June 17, 1964).	165.13
Haardt, Alma B.	Clerical staff	3,519.60
Hall, Patricia J.	do	3,319.14
Jett, R. Frederick	Counsel (as of Feb. 1, 1964).	6,317.35
Kelemonick, Michael	Clerical staff	3,844.68
Lee, Charles R.	Messenger	2,580.54
Levy, Joseph M.	Clerical staff	5,350.74
McGrady, Florence	do	3,627.96
Marcus, Philip	Associate counsel (as of Feb. 1, 1964).	7,206.65
Meekins, Elizabeth G.	Clerical staff	4,169.70
Rosenman, Louis	Associate counsel	7,439.76
Shattuck, William P.	Counsel (as of Mar. 1, 1964).	5,743.36
Toppins, Juanita	Clerical staff (as of Jan. 20, 1964).	2,775.00
Zelenko, Benjamin L.	Assistant counsel	6,574.70

Funds authorized or appropriated for committee expenditures	$450,000.00
Amount of expenditures previously reported	188,449.32
Amount expended from Jan. 1 through June 30, 1964	96,024.72
Total amount expended from Jan. 4, 1963, through June 30, 1964	284,474.04
Balance unexpended as of June 30, 1964	165,525.96

SPECIAL SUBCOMMITTEE ON STATE TAXATION OF INTERSTATE COMMERCE, SALARIES PAID JAN. 1 THROUGH JUNE 30, 1964, PURSUANT TO H. RES. 35, H. RES. 497, AND H. RES. 653, 88TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Breslow, Jerome W.	Assistant counsel	$4,749.42
Broussard, Gerald J.	Clerical staff	2,496.58
Faircloth, John W. F.	Counsel	6,504.24
Haik, Theodore, Jr.	Clerical staff (as of June 1, 1964).	420.46
James, Raymond K.	Clerical staff	3,600.90
Lane, Esther C.	do	3,319.14
McGrath, James P.	do	3,094.32
Partridge, Anthony	Counsel	8,003.94
Pharr, Norman	Clerical staff (through Apr. 8, 1964).	1,807.09

SPECIAL SUBCOMMITTEE ON STATE TAXATION OF INTERSTATE COMMERCE, SALARIES PAID JAN. 1 THROUGH JUNE 30, 1964, PURSUANT TO H. RES. 35, H. RES. 497, AND H. RES. 653, 88TH CONG.—continued

Name of employee	Profession	Total gross salary during 6-month period
Randazzo, Toni Marie.	Clerical staff (as of June 9, 1964).	$308.34
Rigler, Douglas V.	Clerical staff	3,600.90
Spirt, Linda E.	Clerical staff (as of Mar. 4, 1964).	1,639.80
Sutherland, David A.	Counsel	8,003.94
Zeifman, Jerome	do	6,504.24

Funds authorized or appropriated for subcommittee expenditures	$346,000.00
Amount of expenditures previously reported	140,601.62
Amount expended Jan. 1 through June 30, 1964	60,346.74
Total amount expended from Jan. 4, 1963, through June 30, 1964	200,948.36
Balance unexpended as of June 30, 1964	145,051.64

FUNDS FOR PREPARATION OF UNITED STATES CODE, DISTRICT OF COLUMBIA CODE, AND REVISION OF THE LAWS

A. Preparation of new edition of United States Code (no year):	
Unexpended balance Dec. 31, 1963	$14,424.62
Expended Jan. 1 to June 30, 1964	13,987.10
Balance June 30, 1964	437.52
B. Preparation of new edition of District of Columbia Code:	
Unexpended balance Dec. 31, 1963	13,177.27
Expended Jan. 1 to June 30, 1964	10,227.80
Balance June 30, 1964	2,949.47
C. Revision of the laws, 1964:	
Unexpended balance Dec. 31, 1963	11,322.50
Expended Jan. 1 to June 30, 1964	10,391.85
Balance June 30, 1964	930.65

EMANUEL CELLER,
Chairman.

JUNE 30, 1964.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John M. Drewry	Chief counsel	$9,442.50
Bernard J. Zincke	Counsel	8,803.14
Ned P. Everett	Assistant counsel	7,905.18
W. B. Winfield	Chief clerk	9,000.54
Frances P. Still	Assistant clerk	5,382.30
Ruth A. Brookshire	do	4,278.06
Edith W. Gordon	Secretary	4,278.06
Vera A. Barker	do	4,278.06
E. M. Tollefson	Minority clerk	5,144.88

Funds authorized or appropriated for committee expenditures	$37,500.00
Amount of expenditures previously reported	17,377.83
Amount expended from Jan. 1 to June 30, 1964	6,104.45
Total amount expended from Jan. 1, 1963, to June 30, 1964	23,482.28
Balance unexpended as of June 30, 1964	14,017.72

H. C. BONNER,
Chairman.

JULY 8, 1964.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles E. Johnson	Staff director	$9,442.50
B. Benton Bray	Professional staff member.	9,034.27
John H. Martiny	Counsel	9,034.27
William A. Irvine	Professional staff member.	8,740.45
Lillian H. Hanninen	Assistant clerk	5,775.30
John B. Price	do	4,819.86
Lucy K. Daley	do	4,819.86
Elsie E. Thornton	Secretary	4,711.50
Blanche M. Simons	do	4,332.24
Barbara M. Wells	Secretary (from Feb. 1, 1964).	3,745.65

Funds authorized or appropriated for committee expenditures	$125,000.00
Amount of expenditures previously reported	52,882.52
Amount expended from Jan. 1 to June 30, 1964	21,005.09
Total amount expended from Feb. 27, 1963, to June 30, 1964	73,887.61
Balance unexpended as of June 30, 1964	51,112.39

TOM MURRAY,
Chairman.

JULY 15, 1964.

COMMITTEE ON PUBLIC WORKS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Richard J. Sullivan	Chief counsel	$9,442.50
Joseph R. Brennan	Engineer-consultant	9,442.50
Clifton W. Enfield	Minority counsel	9,234.06
Stephen V. Feeley	Subcommittee clerk	6,734.58
Helen M. Dooley	Staff assistant	7,674.84
Helen A. Thompson	do	6,767.52
Florence C. Waters	do	6,001.20
Dorothy A. Beam	do	5,821.86
Sterlyn B. Carroll	Clerical assistant	3,779.64

STANDING COMMITTEE—SALARIES PAID, JAN. 1 THROUGH JUNE 30, 1964, PURSUANT TO H. RES. 236 AND H. RES. 566, 88TH CONG.

James R. Phippard	Subcommittee clerk	$5,568.42
John A. O'Connor, Jr.	do	5,253.24
William B. Short	do	5,253.24
Audrey G. Warren	do	5,253.24
Milton Weil	Staff assistant	6,353.76
Marina M. Gentilini	do	3,476.28
Paul R. S. Yates	Minority staff assistant.	6,800.40

STANDING COMMITTEE—SALARIES PAID, JAN. 1 THROUGH JUNE 30, 1964, PURSUANT TO H. RES. 236 AND H. RES. 566, 88TH CONG.—CON

Name of employee	Profession	Total gross salary during 6-month period
Erla S. Youmans	do	$4,801.76
Flavil Q. Van Dyke, Jr.	Minority clerical assistant.	3,519.60
Randal C. Teague	Minority clerk	2,051.08
Murray S. Pashkoff	Investigator	2,679.90
Martin Baker	Legislative assistant (as of June 15, 1964).	165.53
M. Rae Olsen	Clerical assistant (as of June 17, 1964).	140.13
John Williams	do	140.01

H. Res. 236	$110,000.00
H. Res. 566	125,000.00
Funds authorized or appropriated for committee expenditures	235,000.00
Amount of expenditures previously reported	105,581.43
Amount expended from Jan. 1 to June 30, 1964	54,100.35
Total amount expended from Jan. 1, 1963, to June 30, 1964	159,681.78
Balance unexpended as of June 30, 1964	75,318.22

SPECIAL SUBCOMMITTEE ON THE FEDERAL-AID HIGHWAY PROGRAM—SALARIES PAID, JAN. 1—JUNE 30, 1964, PURSUANT TO H. RES. 236 AND H. RES. 566, 88TH CONG.

Walter R. May	Chief counsel	$9,442.50
John P. Constandy	Assistant chief counsel.	8,826.60
Robert L. May	Minority counsel	8,765.52
Salvatore J. D'Amico	Associate counsel	6,922.62
Robert G. Lawrence	do	5,581.74
Patrick J. Cunningham	do	4,018.02
George H. Martin	Administrative assistant.	8,069.70
George M. Kopecky	Chief Investigator	8,408.22
John N. Dinsmore	Investigator	7,063.68
Sherman S. Willse	do	6,922.62
John P. O'Hara	do	6,659.34
Richard A. Cordasco	do	6,504.24
Carl J. Lorenz, Jr.	do	6,001.20
James P. Kelly	Investigator (through May 15, 1964).	5,191.97
Edward J. Gilhooly	Investigator	4,018.02
Kathryn M. Keeney	Chief clerk	4,754.82
Erwin Greenwald	Research assistant	4,283.52
Mildred E. Rupert	Staff assistant	3,958.44
Dolores K. Dougherty	do	3,839.22
Agnes M. GaNun	do	3,822.96
Sylvia H. Reppert	Minority staff assistant.	3,727.30
Sara L. Vollett	Staff assistant	3,422.10
Shirley R. Knighten	do	2,934.54
Anna S. Rosch	do	2,522.76

H. Res. 236	$340,000.00
H. Res. 566	325,000.00
Funds authorized or appropriated for committee expenditures	665,000.00
Amount of expenditures previously reported	324,694.88
Amount expended from Jan. 1 to June 30, 1964	156,516.45
Total amount expended from Jan. 1, 1963, to June 30, 1964	481,211.33
Balance unexpended as of June 30, 1964	183,788.67

SELECT SUBCOMMITTEE ON REAL PROPERTY ACQUISITION—SALARIES PAID, JAN. 1 THROUGH JUNE 30, 1964, PURSUANT TO H. RES 237 AND H. RES. 609, 88TH CONG.

Ruth M. Heritage	Chief clerk	$7,016.64
Henry H. Krevor	Chief counsel	9,099.30
Robert J. Bolger	Minority counsel	8,765.52
Joe W. Ingram	Associate counsel	6,955.56
Roy Markon	Associate counsel (through Mar. 31, 1964).	3,546.72
Thomas M. Stewart	Associate counsel (as of Mar. 17, 1964).	3,758.00
Dorothy S. Martin	Secretary	4,825.26
Ruth Butterworth	Minority staff assistant.	4,554.36
Meriam R. Buckley	Staff assistant	3,859.12

REIMBURSEMENT TO GOVERNMENT AGENCY

Name of employee	Profession	Total gross salary during 6-month period
Department of Agriculture: Raymond D. Vlasin	Staff economist (Apr. 1 through May 31, 1964).	$2,222.00

H. Res. 237	$125,000.00
H. Res. 609	150,000.00
Funds authorized or appropriated for committee expenditures	275,000.00
Amount of expenditures previously reported	115,068.89
Amount expended from Jan. 1 to June 30, 1964	62,540.50
Total amount expended from Jan. 1, 1963, to June 30, 1964	177,609.39
Balance unexpended as of June 30, 1964	97,390.61

CHARLES A. BUCKLEY,
Chairman.

JULY 1, 1964.

COMMITTEE ON RULES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
T. M. Carruthers	Counsel (P), standing committee.	$7,204.68
Mary Spencer Forrest	Assistant counsel (P).	5,253.24
Frank E. McCarthy	Minority counsel (P).	5,253.24
T. K. Leachman	Staff assistant (June 1 to June 30, 1964).	496.31

HOWARD W. SMITH,
Chairman.

JULY 1, 1964.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles F. Ducander	Executive director and chief counsel.	$9,442.50
John A. Carstarphen, Jr.	Chief clerk and counsel.	9,442.50
Philip B. Yeager	Counsel	$9,442.50
Frank R. Hammill, Jr.	do	8,798.40
W. H. Boone	Chief technical consultant.	9,103.98
Mary Ann Robert	Secretary	4,251.00
Emily Dodson	do	4,104.72
Carol F. Rodgers	do	4,001.76
June C. Stafford	do	3,752.58
Elizabeth M. Fleming	do	3,503.34

INVESTIGATIONS SUBCOMMITTEE

Richard P. Hines	Staff consultant	$8,798.40
James E. Wilson	Technical consultant.	8,502.24
Peter A. Gerardi	do	8,502.24
Joseph M. Felton	Assistant counsel	4,251.00
Katherine V. Flanigan.	Assistant clerk	4,928.16
Denis C. Quigley	Publications clerk	2,750.34
Virginia Robison	Secretary	3,503.34
Elizabeth S. Kernan	Scientific research assistant (from June 1).	792.47
Elizabeth A. Rothman.	Clerical assistant (from May 18).	622.08
Patrick J. Mahoney	Clerical assistant (from June 24).	115.73

Funds authorized or appropriated for committee expenditures	$325,000.00
Amount of expenditures previously reported	97,857.14
Amount expended from Jan. 1 to June 30, 1964	45,271.41
Total amount expended from Feb. 27, 1963, to June 30, 1964	143,128.55
Balance unexpended as of June 30, 1964	181,871.45

GEORGE P. MILLER,
Chairman.

JULY 13, 1964.

COMMITTEE ON UN-AMERICAN ACTIVITIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Appell, Donald T.	Chief investigator	$8,036.82
Gittings, Helen M.	Research analyst	4,928.16
Joray, Juliette P.	Recording clerk	6,076.44
McNamara, Francis J.	Director	9,198.00
Nagel, Isabel B.	Secretary to counsel.	4,169.70
Purdy, Rosella A.	Secretary to general counsel.	5,014.86
Tavenner, Frank S., Jr.	General counsel	9,442.50
Turner, Anne D.	Chief of reference section and files.	6,123.42
Veley, Lorraine M.	Secretary to investigators.	3,953.04
Wheeler, William A.	Investigator	7,580.82
Investigating committee:		
Baldwin, Beatrice P.	Clerk-typist	2,869.50
Bedarfas, Louise S.	Information analyst (resigned June 10, 1964).	2,671.04
Benedict, John R.	Research analyst (resigned Jan. 22, 1964).	589.09
Bienvenu, Marcelle.	Clerk-typist (appointed June 8, 1964).	332.35
Brown, Frances Rosalyn.	Information analyst	2,880.30

Name of employee	Profession	Total gross salary during 6-month period
Buglio, Theresa J.	Clerk-typist (resigned Jan. 31, 1964).	$387.96
Burke, Gerard F.	Clerk-typist	2,939.94
Butler, Daniel	do	2,652.78
Collins, William R.	Editor	4,001.76
Cunningham, Anniel	Information analyst	4,283.52
Curll, Jean W.	Clerk-stenographer	3,210.84
Dadisman, Shirley J.	do (Mar. 9 to Apr. 24).	413.06
Doyle, Florence B.	Clerk-typist	2,103.48
Edinger, Elizabeth L.	Editor	4,500.18
Ellsweig, Rochelle J.	Clerk-typist	2,035.02
Finn, Peter B.	Clerk-typist (appointed June 22, 1964).	126.14
Fivehouse, Cynthia	Clerk-stenographer (appointed Apr. 27, 1964).	574.70
Francis, Emily R.	Information analyst	2,652.78
Gaffney, Metje Q.	Clerk-typist	2,103.48
Gallagher, James L.	Research analyst (appointed Feb. 11, 1964).	3,892.05
Hague, Howard R., Jr.	Clerk-typist (appointed June 15, 1964).	39.60
Hitz, William	Counsel (appointed Feb. 3, 1964).	7,454.61
Holton, Katherine R.	Research clerk	2,977.86
Huber, Walter B.	Consultant	7,674.84
Jenkins, Pennye P.	Clerk-typist (appointed June 8, 1964).	332.35
Kelly, Maura Patricia.	Research analyst	3,476.28
Kennedy, Jo B.	Clerk-typist (appointed Mar. 3, 1964).	1,639.61
Kocis, Evelyn M.	Secretary to the Director.	4,001.76
McLaughlin, Carol E.	Clerk-typist	2,142.84
Manuel, Philip R.	Investigator (appointed Jan. 1, 1964).	4,754.82
Margetich, William	Investigator	4,251.00
Masumian, Alberta	Clerk-stenographer (appointed Apr. 1, 1964).	2,355.75
Monts, Esther L.	Clerk-stenographer	3,346.26
Muffley, David E., Jr.	Clerk-typist	2,945.34
Nittle, Alfred M.	Counsel	7,740.66
Petersen, Neal M.	Clerk-typist (appointed Jan. 1, 1964).	2,251.92
Pfaff, Alma T.	Research clerk	2,988.66
Phillips, Katharine	Switchboard operator.	2,734.08
Randolph, Josephine S.	Research clerk	3,389.58
Riehl, Joseph E., Jr.	Clerk-typist (appointed June 1, 1964).	420.46
Russell, Louis J.	Investigator	6,264.48
Salathe, Doris R.	Clerk-typist	2,409.00
Stiles, Lela Mae	Information analyst	3,237.90
Sweany, Donald I., Jr.	Research analyst	4,819.86
Vaccaro, Patience	Clerk-stenographer (resigned Feb. 29, 1964).	538.78
Valente, Mary M.	Secretary	5,112.42
Vernor, Dorothy H.	Clerk-stenographer	3,004.92
Walton, Stanley F.	Clerk-typist	2,251.92
Wetterman, Neil E.	Investigator	5,296.56
Wheeler, Billie	Clerk-stenographer	2,123.16

Funds authorized or appropriated for committee expenditures	$660,000.00
Amount of expenditures previously reported	307,563.74
Amount expended from Jan. 1 to July 1, 1964	163,226.99
Total amount expended from Jan. 4, 1963, to July 1, 1964	470,790.73
Balance unexpended as of July 1, 1964	189,209.27

E. E. WILLIS,
Chairman.

JULY 15, 1964.

COMMITTEE ON VETERANS' AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Full committee staff:		
Oliver E. Meadows	Staff director	$9,442.50
Edwin B. Patterson.	Counsel	9,442.50
John R. Holden	Professional staff member.	7,952.22
Billy E. Kirby	Professional aid	6,922.62
George W. Fisher	Clerk	9,442.50
Helen A. Biondi	Assistant clerk	5,521.92
Carol A. Davis	Clerk-stenographer	5,220.72
Alice V. Matthews	do	4,603.14
George Turner	Assistant clerk	4,603.14
Investigative staff:		
Adin M. Downer	Staff member	7,190.58
Pamela C. Warren	Clerk-stenographer	1,714.95
Wilma Jean Johnson.	do	3,953.04
Ann L. Loupot	do	258.64
Leila W. Osborne	do	3,128.71
Sharon L. Wright	do	206.91
Jonnette M. Smith	do	2,212.33
Ben W. Crain	Clerk-messenger	700.92

Funds authorized or appropriated for committee expenditures	$145,000.00
Amount of expenditures previously reported	54,214.28
Amount expended from Jan. 1 to June 30, 1964	29,637.49
Total amount expended from Jan. 1, 1963, to June 30, 1964	83,851.77
Balance unexpended as of June 30, 1964	61,148.23

OLIN E. TEAGUE,
Chairman.

JULY 6, 1964.

COMMITTEE ON WAYS AND MEANS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Leo H. Irwin	Chief counsel (C)	$9,442.50
William H. Quealy	Minority counsel (P).	9,442.50
John M. Martin, Jr.	Assistant chief counsel (P).	9,273.24
Lincoln Arnold	Professional assistant (P) from June 1, 1964.	1,550.24
John P. Baker	Professional assistant (P).	7,524.42
Thomas P. Kerester	do	7,500.90
Florence Burkett	Staff assistant (C)	3,882.60
Virginia Butler	do	5,031.12
William Byrd	do	2,571.54
Mary K. Daniel	do	3,254.16
Grace Kagan	do	5,031.12
June Kendall	do	5,408.10
Max Mehlburger	Staff assistant (C) from June 15, 1964.	322.48
Elizabeth Price	Staff assistant (C)	3,503.34
Martha Sue Ritner	do	3,600.90
Dolores Rogers	do	3,427.50
Gloria Shaver	do	4,646.46
Eileen Sonnett	do	4,256.40
Susan Taylor	do	4,571.86
Irene Wade	do	4,689.78
David West	do	4,879.44
Hughlon Greene	Document clerk (C)	3,590.04
Walter Little	do	3,590.04

Funds authorized or appropriated for committee expenditures	$12,500.00
Amount of expenditures previously reported	2,494.20
Amount expended from Jan. 1 to June 30, 1964	939.75
Total amount expended from Jan. 1, 1963, to June 30, 1964	3,433.95
Balance unexpended as of Dec. 30, 1964	9,066.05

W. D. MILLS,
Chairman.

JULY 10, 1964.

SELECT COMMITTEE ON GOVERNMENT RESEARCH

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Robert L. Hopper	Staff director	$9,400.20
Micah H. Naftalin	Deputy staff director and counsel.	7,210.19
Stephen P. Strickland	Chief clerk	7,002.54
William B. Farrington.	Science director	7,500.45
R. Evelyn Alvis	Secretary	1,302.13
David G. Battle	Staff assistant	6,535.70
Elizabeth B. Bedell	Assistant clerk	3,552.12
Salig L. Bendit	Staff assistant	397.31
Donald P. Cole	do	300.01
Davis O. Couch	Clerical assistant	2,744.92
Bertha L. Davison	Research assistant	267.11
Walter L. Fitzpatrick, Jr.	Staff assistant	4,642.62
Mary P. Flanagan	Secretary	3,269.78
Edward T. Fogo	Staff assistant	6,334.98
Frances M. Geddes	Secretary	3,503.34
Zel M. Lipsen	Staff assistant	225.01
Rowena G. Lovette	Secretary	3,454.99
Edna Ruth McNutt	Clerical assistant	194.53
Annelle K. Murray	Staff assistant	4,500.18
George Norris, Jr.	Assistant counsel	5,796.55
Mary Belle Osborne	Secretary	3,552.12
Helen C. Pigott	do	3,649.62
Russell Saville	Staff assistant	4,500.18
Leo S. Tonkin	do	6,001.20
Barbara Anne Burke	Clerical assistant	187.30
Total		96,025.08

Funds authorized or appropriated for committee expenditures	$553,000.00
Amount of expenditures previously reported	25,315.07
Amount expended from Jan. 1 to June 30, 1964	115,230.27
Total amount expended from Sept. 11, 1963, to June 30, 1964	140,545.34
Balance unexpended as of June 30, 1964	412,454.66

CARL ELLIOTT,
Chairman.

JULY 22, 1964.

SELECT COMMITTEE ON SMALL BUSINESS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, to-

gether with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Marsha Y. Darrah	Research analyst	$3,042.84
Astrid E. Gram	Secretary	3,432.90
Angelina M. Griffin	do	1,808.58
Maxine LaCava	do	1,551.24
Ned L. Wernet	Accountant	5,043.28
Myrtle Ruth Foutch	Clerk	4,061.40
Helen G. Hitz	Secretary	3,747.18
Penelope Walcott	do	3,747.18
Sylvia U. Keel	do	3,747.18
Gregg R. Potvin	Counsel	8,615.04
Harry Olsher	Consultant	8,995.86
Audrey R. Smith	Research analyst	4,332.24
Bryan H. Jacques	Staff director	9,367.26
Barbara Wright McConnell.	Secretary	5,616.72
Jo Ann L. Sloane	Research analyst	1,987.74
Richard L. Mitchell	General counsel	9,367.26
Henry A. Robinson	Counsel	7,500.90
William M. Reddig	Research analyst	5,004.06
Charles E. O'Connor	Counsel	8,144.94
Justinus Gould	do	8,144.94
John J. Williams	Minority counsel	6,005.88
Eugene W. Loehl	Assistant minority counsel.	920.38
Sarah Cox	Secretary	810.09
Dorothy M. Perdieu	do	224.07

Funds authorized or appropriated for committee expenditures	$525,000.00
Amount of expenditures previously reported	226,092.63
Amount expended from Jan. 1 to June 30, 1964	122,089.57
Total amount expended from Jan. 4, 1963, to June 30, 1964	348,182.20
Balance unexpended as of June 30, 1964	176,817.80

JOE L. EVINS,
Chairman.

JULY 10, 1964.

JOINT COMMITTEE ON DEFENSE PRODUCTION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Harold J. Warren	Clerk and counsel	$8,615.04
Edward Hart	Professional staff member.	7,674.82
George T. Ault	do	6,264.48
Edward O. McCue III.	do	5,775.30
Janice M. Maguire	Secretary	3,302.94
Prudence Mahaffey	Clerical assistant	400.60
Susan Talbert	do	213.65

Funds authorized or appropriated for committee expenditures	$69,550.00
Amount of expenditures previously reported	27,789.03
Amount expended from Jan. 1 to June 30	32,485.02
Total amount expended from July 1 to June 30	60,274.05
Balance unexpended as of June 30, 1964	9,275.95

WRIGHT PATMAN,
Chairman.

JOINT COMMITTEE ON IMMIGRATION AND NATIONALITY POLICY

JULY 15, 1964.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Edward M. O'connor	Staff director	$9,442.50

Funds authorized or appropriated for committee expenditures	$20,000.00
Amount of expenditures previously reported	7,868.75
Amount expended from Jan. to June	9,639.74
Total amount expended from July 1 to June 30, 1964	17,508.49
Balance unexpended as of June 30, 1964	2,491.51

MICHAEL A. FEIGHAN,
Chairman.

JULY 7, 1964.

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from December 31, 1963, to June 30, 1964, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Colin F. Stam	Chief of staff	$10,749.96
L. N. Woodworth	Economist	9,052.26
G. D. Chesteen	Corporation auditor	8,398.80
Nicholas A. Tomasulo	Attorney	8,351.82
Robert R. Smyers	do	8,159.04
James H. Symons	Statistical analyst	8,083.80
Grace T. Gunn	do	7,609.02
Robert J. Moody	Attorney	6,504.24
James M. LaMarche	Administrative assistant.	6,189.24
Thomas L. C. Vail	Attorney	3,822.60
Joseph E. Fink	Statistical clerk	5,578.80
A. F. Connaughton	do	5,578.80
Harrison B. McCawley.	Attorney	5,387.46
Cleo H. Fonelli	Stenographer and assistant clerk.	4,007.16
G. Norton Nager	Attorney	3,439.87
Blanche F. Nagro	Clerk-stenographer	3,617.16
Joanne B. McDermott.	do	3,400.44
Jacqueline S. Pfeiffer	do	2,939.94
Ila Coe	do	2,799.06
June M. Matthews	do	2,799.06
Nicki Rae Fairfax	do	2,501.10
Gloria M. McCabe	do	2,501.10
Mildred Feldt	do	2,338.56
Contract personnel:		
Russell M. Oram	Tax consultant	5,100.00
Dale H. Flagg	do	6,300.00
P. W. Meekins	do	4,500.00

Funds authorized or appropriated for committee expenditures	$337,690.00
Amount of expenditures previously reported (July 1 to Dec. 31, 1963)	156,306.19
Amount expended from Jan. 1 to June 30, 1964	139,709.29
Total amount expended from July 1, 1963, to June 30, 1964	296,015.48
Balance unexpended as of June 30, 1964	41,674.52

HARRY F. BYRD,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2357. A letter from the Comptroller General of the United States, transmitting a report on a review relating to unofficial use and overstated needs of commercial-type vehicles by the Military Assistance Advisory Group and the Headquarters, Support Activity, Taipei, Republic of China, Department of Defense; to the Committee on Government Operations.

2358. A letter from the Comptroller General of the United States, transmitting a report on a review relating to a solid propellant continuous-mix facility at Thiokol Chemical Corp., near Brigham City, Utah, disclosing that the Government incurred costs of about $825,000 because the Air Force decided to complete the facility although it was known at the time that there was no foreseeable requirement for the facility or for the process; to the Committee on Government Operations.

2359. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to establish a register of blind persons in the District of Columbia, to provide for the mandatory reporting of information concerning such persons, and for other purposes; to the Committee on the District of Columbia.

2360. A letter from the Chairman, Commission on the Disposition of Alcatraz Island, transmitting the report of the Commission on the Disposition of Alcatraz Island, pursuant to Public Law 88–138, as amended by Public Law 88–226; to the Committee on the Judiciary.

2361. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952, as amended by Public Law 87–885; to the Committee on the Judiciary.

2362. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting additional information relating to the case of Juan Francisco Cisneros-Escobar, XXXXXXXXX involving suspension of deportation, pursuant to the Immigration and Nationality Act of 1952, as amended by Public Law 87–885; to the Committee on the Judiciary.

2363. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952, as amended by Public Law 87–885; to the Committee on the Judiciary.

2364. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to transmitting certain information relating to the eighth period of refugee operations under

the act of June 28, 1962, which covers an advisory report by the Secretary of State for the 6-month period ending June 30, 1964; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 30, 1964, the following bills were reported on July 31, 1964:

Mr. DAWSON: Committee on Government Operations. Twenty-second report pertaining to judgment collection penalties and policies of the Department of Justice (Rept. No. 1640); referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 11946. A bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region; with amendment (Rept. No. 1641). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 10446. A bill to permit the use of statistical sampling procedures in the examination of vouchers; with amendment (Rept. No. 1642). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of July 30, 1964, the following conference report was filed on July 31, 1964:

Mr. MAHON: Committee of Conference. H.R. 10939. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1965, and for other purposes (Rept. No. 1642). Ordered to be printed.

[*Submitted August 3, 1964*]

Mr. PATMAN: Committee on Banking and Currency. H.R. 11893. A bill to authorize the mint to inscribe the figure "1964" on all coins minted until adequate supplies of coins are available; with amendment (Rept. No. 1644). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 3869. A bill to establish Federal agricultural services to Guam, and for other purposes; with amendment (Rept. No. 1645). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 51. An act to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District; without amendment (Rept. No. 1646). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee of Conference. H.R. 11049. A bill to adjust the rates of basic compensation of certain officers and employees in the Federal Government, and for other purposes (Rept. No. 1647). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARSHA:

H.R. 12190. A bill to modify the flood control project on the Scioto River, Ohio; to the Committee on Public Works.

By Mr. CELLER:

H.R. 12191. A bill for the relief of certain displaced nationals of the Netherlands; to the Committee on the Judiciary.

By Mr. DORN:

H.R. 12192. A bill to protect consumers by requiring that imported meat and meat food products made in whole or in part with imported meat bear a label showing the country of origin of such imported meat; to the Committee on Interstate and Foreign Commerce.

By Mr. LIBONATI:

H.R. 12193. A bill to amend title 10, United States Code, to provide for the establishment of a program of cash awards for suggestions or inventions made by members of the Armed Forces which contribute to the efficiency, economy, or other improvement of Government operations; to the Committee on Armed Services.

By Mr. McCLORY:

H.R. 12194. A bill to amend the Internal Revenue Code of 1954 to allow a corporation a deduction for certain expenditures made abroad to promote the free enterprise system; to the Committee on Ways and Means.

By Mrs. REID of Illinois:

H.R. 12195. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. WHITENER:

H.R. 12196. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alinement, and for other purposes; to the Committee on the District of Columbia.

By Mr. BROCK:

H.R. 12197. 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 (including certain travel) undertaken by them, and to provide a uniform method of proving entitlement to such deduction; to the Committee on Ways and Means.

By Mr. McMILLAN:

H.R. 12198. A bill to amend section 11–1701 of the District of Columbia Code to increase the retirement salaries of certain retired judges; to the Committee on the District of Columbia.

By Mr. PERKINS:

H.R. 12199. A bill to amend and extend the National Defense Education Act of 1958 and to extend Public Laws 815 and 874, 81st Congress (federally affected areas); to the Committee on Education and Labor.

By Mr. DON H. CLAUSEN:

H.R. 12200. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. FULTON of Pennsylvania:

H.R. 12201. A bill for the relief of the township of Robinson, Pa.; to the Committee on the Judiciary.

By Mr. McCULLOCH:

H.R. 12202. A bill to amend title 28, United States Code, to provide for a temporary stay of proceedings in any action for the reapportionment of any State legislative body; to the Committee on the Judiciary.

By Mrs. REID of Illinois:

H.J. Res. 1139. 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. WHITE:

H.J. Res. 1140. Joint resolution providing for a study and report to Congress by the Secretary of the Treasury concerning the silver policy of the United States; to the Committee on Banking and Currency.

By Mr. CELLER:

H. Con. Res. 336. Resolution to provide for the printing of 4,000 additional copies of school prayer hearings; to the Committee on House Administration.

By Mr. OLSEN of Montana:

H. Res. 812. Resolution to provide for the concurrence of the House of Representatives to the Senate amendments to H.R. 1839; to the Committee on Rules.

By Mr. ROOSEVELT:

H. Res. 813. Resolution to provide for the expenses of an investigation authorized by House Resolution 103; to the Committee on House Administration.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

995. By the SPEAKER: Petition of S. Sgt. and Mrs. Philip G. Roos, and others, Kittery, Maine, requesting the enactment of the proposed bill H.R. 8954; to the Committee on Armed Services.

996. Also, petition of Willian Raney, and others, Carmichael, Calif., relative to requesting the reopening of the San Francsico Branch Mint; to the Committee on Banking and Currency.

997. Also, petition of Henry Stoner, Avon Park, Fla., relative to legislation to provide for identification cards of those possessing U.S. citizenship; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of Alabama:

H.R. 12203. A bill for the relief of Miss Meeri Sinikka Nieminen; to the Committee on the Judiciary.

By Mrs. BAKER:

H.R. 12204. A bill for the relief of Mrs. Ava Howard Taylor; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 12205. A bill for the relief of Mrs. Bronislawa Szyper; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 12206. A bill for the relief of Damiano Squeo; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 12207. A bill for the relief of Donatangelo Cecere; to the Committee on the Judiciary.

H.R. 12208. A bill for the relief of Giacomo La Corte; to the Committee on the Judiciary.

H.R. 12209. A bill for the relief of Zdravko Drazic; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 12210. A bill for the relief of Manuel Paulo Tavares; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H.R. 12211. A bill for the relief of Maria Da Conceicao Macedo Da Estrella; to the Committee on the Judiciary.

By Mr. WESTLAND:

H.R. 12212. A bill for the relief of Capt. Andrew J. Meyers; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 12213. A bill for the relief of Mrs. Margaret M. Burke; to the Committee on the Judiciary.

H.R. 12214. A bill for the relief of Mrs. Polyxeni Terzidon; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

President Johnson's Historic Message and Proclamation Commemorating the 20th Anniversary of the Warsaw Uprising

EXTENSION OF REMARKS
OF
HON. ROMAN C. PUCINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. PUCINSKI. Mr. Speaker, earlier today President Johnson issued an official proclamation designating August 1, 1964, as Warsaw Uprising Day.

The President invited the people of the United States to observe this day with appropriate ceremonies and activities and urged them to mark this event as an exceptional demonstration of man's courage and devotion in the long and continuing struggle for human freedom.

I am sure that the President's historic gesture will be recognized by history as the first official recognition and appreciation of the monumental sacrifice that hundreds of thousands of heroic Poles made 20 years ago today when they launched the inspiring Warsaw uprising of World War II.

While the inspiring words of President Johnson during the official signing of the proclamation in the rose garden of the White House stand as a magnificent source of pride to Americans, and in particular to those Americans of Polish descent, the most gratifying aspect of Mr. Johnson's proclamation is the impact it will have upon the 31 million people in Poland.

This official act by President Johnson in commending Polish heroism shall serve as a clear sign to those behind the Iron Curtain today that the United States through its President has not forgotten their monumental contribution to victory in World War II.

The large gathering of distinguished Americans of Polish descent which observed President Johnson's official signing of today's proclamation were stirred by his inspiring and historic message.

I should like to include in the RECORD today the text of President Johnson's message delivered at the White House at noon last Friday.

Following the President's statement, I am including the text of the official Warsaw Uprising Day proclamation issued by the President.

Americans, particularly those of Polish descent, are grateful to the President for this public recognition of a gallant moment in Polish history.

REMARKS OF THE PRESIDENT ON SIGNING A PROCLAMATION TO COMMEMORATE THE 20TH ANNIVERSARY OF THE WARSAW UPRISING

Friends, I want to say to each of you, and especially to the Members of Congress who have indulged me, that I regret very much that I have been delayed. I had about 50 newspapermen in my office and I couldn't evict them as quickly as I should have, perhaps, but I thank you for your understanding and for your tolerance and I hope you didn't get too hot.

There are some compensating advantages. Maybe the sunburn will make you look better.

In any event, this is a very special occasion for me and I want to genuinely extend to you a warm welcome as a participant in this historic occasion. I want to thank you for coming. I want to review with you some of my thoughts, very briefly.

Twenty years ago tomorrow, in the city of Warsaw, there occurred a demonstration of human courage that the world will never forget. The courageous people of a captive city challenged the chains of their captors. Three hours after the start of what is known as Operation Tempest, the flag of the Polish Republic was flying in the heart of Warsaw, for the first time in 5 years. For 63 days, proud Poles fought to liberate their beloved capital from the occupying army.

On October 2, 1944, a decision to cease the valiant fight was dictated and required by lack of food, a lack of water, a lack of ammunition, and a desire to save the remaining civilian population from systematic destruction. Eighty percent of Warsaw had been destroyed. Twenty thousand Polish soldiers had been killed, or seriously wounded. The toll among civilians was too high to even count.

But as the Polish forces marched past on that final day, the citizens in the streets sang to them: "Poland is not yet lost, while we still live." We, in America, know that spirit well. It attended us at the birth of our Nation. We have seen it shine from the Polish character time and time again. We see it, again, now in Warsaw rebuilt from the ashes and the rubble.

We see it in the steadfast faith of the Polish people. We see it gratefully in our fellow citizens of Polish ancestry and I visited only a few months ago in Chicago with hundreds of thousands of them. They live among us now as patriots of the cause of freedom for all mankind. The congressional district from which I come is inhabited by hundreds and thousands of people of Polish ancestry.

So, we know the Polish spirit well. We know the unswerving dedication of the Polish people to the goals of liberty and equality and independence. That is why our policy is designed to help the Polish people so they may increasingly help themselves. We have done much toward this goal in many fields.

Today, all Americans are proud to join with the Poles of Poland, the Poles abroad, and the Polish-Americans to commemorate the 20th anniversary of the Warsaw uprising. We repeat with them now the motto of the Polish struggle for independence: For your freedom and ours.

WARSAW UPRISING DAY—A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Whereas August 1, 1964, marks the 20th anniversary of the historic uprising of Polish patriots to liberate their capital, the city of Warsaw from the Nazi occupation; and

Whereas the bravery of the Polish people demonstrated their determination to achieve liberty and independence; and

Whereas the American people regard the action of the Polish patriots in the Warsaw uprising as a great manifestation of bravery and devotion to home and country; and

Whereas this historic effort should serve to inspire people everywhere to rededicate themselves to the cause of freedom and justice: Now, therefore,

I, Lyndon B. Johnson, President of the United States of America, do hereby designate August 1, 1964, as Warsaw Uprising Day.

I invite the people of the United States to observe this day with appropriate ceremonies and activities, and I urge them to mark this event as an exceptional demonstration of man's courage and devotion in the long and continuing struggle for human freedom.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this 31st day of July in the year of our Lord 1964, and of the Independence of the United States of America the 189th.

LYNDON B. JOHNSON,

By the President:

DEAN RUSK,
Secretary of State.

I Have Lost a Friend

EXTENSION OF REMARKS
OF
HON. GEORGE P. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. MILLER of California. Mr. Speaker, the Nation shares California's sorrow in the loss of her indomitable Senator Clair Engle.

It was my high privilege to know Clair Engle for more than a quarter of a century during which time we developed a very close relationship, the memory of which I cherish.

I first met Clair Engle when he was elected to the California legislature as State Senator representing Tehama County. I was then executive officer of the California Division of Fish and Game and because of our common interest in conservation, we were thrown pretty much together. He came on to Congress and I followed him about 3 years later. We were both interested in the development of the Central Valley and in the water and power problems of California. During my first term in Congress, I served on the Irrigation and Reclamation Committee. Under the Reorganization Act, Clair Engle was assigned to the Committee on Interior and Insular Affairs which incorporated the work of the Committee on Irrigation and Reclamation. I went to another committee. During my service on the Irrigation and Reclamation Committee, I introduced a bill for the high dam on the American River in Folsom, Calif. In the 80th Congress, after I had left the committee and Mr. Engle had taken over, he reintroduced the bill, which eventually

became law. He was always generous enough to refer to that legislation as the Engle-Miller bill.

Clair became chairman of the Committee on Interior and Insular Affairs, and it was here that he made his great contribution to our country and particularly to the West. He was an outstanding authority on reclamation laws. He had an imagination and an understanding of the problems and the necessity for water and power. He had the drive and the courage to fight for this in the face of great odds.

When he got to the Senate, this was still his first love and there again he carried the torch that was responsible for a great deal of our water and power development in the Western United States.

Clair Engle was a humanist. He loved his fellow men and he never ceased to work in their interest.

We shall miss Clair Engle. It will be hard to replace him, and his accomplishments in the short 52 years of his life will go down in the history of our country.

I have been privileged to know him, I appreciate his worth and acknowledge our great loss. To his lovely wife, Lu, Mrs. Miller and I extend our heartfelt sympathy.

Another Biased Trade Survey?

EXTENSION OF REMARKS
OF
HON. H. R. GROSS
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. GROSS. Mr. Speaker, on June 16 Secretary of Commerce Luther H. Hodges announced plans for "A Survey of the Geographic Origins of U.S. Exports in 1963."

This new survey is to bring up to date a study made in 1960 in pursuit of the same elusive subject of export origins.

I find it hard at the moment to think of a more worthless project or a more deceptive manner of spending public funds.

The purpose of such surveys has been and is very simple: namely, to influence legislation.

Let me ask a simple question. When an automobile is exported from Detroit, where does it come from? Who is to trace the numerous parts and the raw products and minerals to their source? Here is room for duplication to run rampant. The iron may be mined in one State, the steel made in another and the parts made out of steel in yet another State. The same may be said for the glass, copper, lead, paint, and other materials that are only assembled in Detroit.

When a parts manufacturer from Toledo sells to General Motors or Ford, will he know which of those parts, if any, will be incorporated into vehicles that find their way into exports?

The same question could be asked about numerous other products that are assembled, as are automobiles, from numerous parts. About the only products that could be traced with a reasonable degree of satisfaction are unprocessed agricultural, mineral, or forest products, and then only if they were exported in the unprocessed form. Even then there would be some difficulty. A bushel of corn grown in Iowa, for example, would be difficult to trace. The first seller is usually not himself the exporter. He therefore does not know what part, if any, of his crop goes abroad. The actual exporter will often not know the precise origin of the wheat he ships abroad.

To overcome or rather to hide this uncertainty the Department of Commerce has resorted to some very strange guesses and geographical mixing formulas that would never stand the light of day and must be condemned by the standards of any fair statistical procedure. Some grotesque results have thus been obtained. If, for example, a half-billion bushels of wheat were exported in a given year, the population of the wheat-producing States would be set down. The amount of wheat exported by a particular State would then be calculated as that percentage of the total wheat exports that the State's population is of the total population of the wheat-producing States; or by applying the share of the State's wheat production of total wheat production and then assuming that wheat exports from each State were the same percentage of the total.

Such a method would imply that of each State's wheat production the same proportion would go into export, regardless of the State's location.

Sometimes the calculation does not stop there, and efforts are made to show how many millions of dollars of exports arise in each congressional district. This can be done by application of the population ratio of the district to the population of the whole State and then dividing the whole State's exports accordingly.

Of course, once we get to the point where each district has the same amount of population as every other district in the State, each district would be shown as having exactly the same amount of wheat exports as each of the other districts of the State. This would be about as accurate as casting a fishing net anywhere into the sea, hoping to catch as many fish as the professional fisherman who knows where to go, on the theory that the fish population is evenly distributed throughout the oceans.

Mr. Speaker, I am afraid that if this survey is carried out and the results published by the Department of Commerce, we will have another example of the debasement of governmental statistics. This will be a supreme example of forcing statistics to tell a preconceived story without regard to the legitimate use of statistical methods. The ethics of such practice I leave to anyone who relies on public statistics as a guide to his judgment in solving serious problems. When our governmental departments utilize statistical surveys in this manner, they cast a vitiating doubt on all public statistical presentations; and this is something to be deplored as well as condemned. Statistics should be enlightening as bearers of facts and not misleaders of those who use them in all innocence and trust.

If the Secretary of Commerce nevertheless insists on proceeding with his survey, let him also pinpoint the incidence of the taxes that support a good part of our exports. Our foreign aid exports reach a level of more than a billion dollars and the goods filling these shipments are among those that will be surveyed. The public money paid for these goods comes from the taxpayer. Can Mr. Hodges trace the amount of these taxes to particular congressional districts? I daresay he would ridicule any such suggestion.

Beside foreign aid shipments we have Public Law 480 exports, and these are also paid for by the taxpayers. Can Secretary Hodges allocate these taxes by congressional districts? We subsidize the exportation of wheat, wheat flour, and raw cotton. Can the Secretary say how much of this subsidy of over one-half billion dollars each voter pays?

Or will Mr. Hodges in any case show only the benefits to the farmers?

If Mr. Hodges were to present the bitter with the sweet, we might have more confidence in his survey; but were he to do that, the purpose of the survey would be destroyed. This means of course that something is wrong with the purpose. It is clearly one sided and designed to emphasize the beneficial and to suppress the cost. It is designed to gain support for a policy; that is, the national foreign trade policy. If this policy were sound it would need no such shenanigans in order to recommend it. If it cannot be defended without statistical misfeasance, it evidently is hard up for justification.

I say, Mr. Speaker, that Secretary Hodges should call off this survey. It would help his standing and that of the Department of Commerce in the eyes of those who have a serious and honest interest in finding the truth about our foreign trade policy.

He should in any case not go ahead with it unless he also launched a survey to show the injurious effects of imports by congressional districts. Imports of beef, veal, and lamb, for example, have wrought a great deal of economic havoc in this country. Let Mr. Hodges ask the Census Bureau, which is the agency designated to make the export-origin survey, to run an equally intensive survey of the incidence of unemployment, business stagnation, faltering investment of capital and discouraging outlook attributable to rising imports. The results should then be carefully allotted to the congressional districts. The students of the double-barreled survey could then feel at least that an honest effort had been made to present both sides of the trade question.

If Iowa exports 50 million bushels of wheat, or some similar figure, there will be some benefits to farmers and farmworkers. There would be no harm in pointing to this benefit; but if we are considering the wisdom of a trade policy that permits imports of a large amount of beef; and if these imports break the price of cattle which in turn consume hundreds of millions of bushels of corn grown in Iowa; and if it costs 60 cents per bushel to the taxpayer to export the wheat, Mr. Hodges should show this debit side or be guilty of telling less than half the story.

I say he should either make this double survey, although I greatly doubt the feasibility of it, or eliminate the project entirely. If he goes ahead with the one-sided survey, he will be writing the obituary of the statistical integrity of the Department over which he presides.

Frauds on the Elderly

EXTENSION OF REMARKS
OF

HON. MAURINE B. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, August 3, 1964

Mrs. NEUBERGER. Mr. President, the Senate Special Committee on Aging, of which I am a member, has held hearings on the activities of unscrupulous persons who prey upon our elderly citizens. We have found that senior citizens have been bilked out of millions of dollars through health frauds and quackery.

The distinguished Senator from New Jersey [Mr. WILLIAMS] is chairman of the Senate Subcommittee on Frauds and Misrepresentations Affecting the Elderly. Recently, he was interviewed by Mr. Harry W. Flannery on the "As We See It" program, sponsored by the AFL–CIO.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a transcript of the program broadcast through American Broadcasting Co. stations on Sunday, July 26, 1964.

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

SALESMAN OF SORROW

Mr. FLANNERY. As we see it, American retired persons have been the victims of all kinds of rackets. Unscrupulous persons in States like Arizona and Florida have tried to sell land in desert wastes and flooded swamps. Persons who suffer from arthritis, asthma, lumbago and other illnesses, to which the aged are prone, have been peddled worthless ray machines, ointments and pills. Sometimes the elderly have also bought words more glowing than the facts of the insurance they purchased.

Senator HARRISON A. WILLIAMS, chairman of the Senate Subcommittee on Frauds and Misrepresentations Affecting the Elderly, tells what the committee has discovered for this radio station of the ABC network and the AFL–CIO. Your reporter, Harry W. Flannery, talked with Senator WILLIAMS in his office in the Senate Office Building here in Washington.

Senator WILLIAMS, what led you into investigating the charges that the elderly people of the Nation are being victimized by quacks and racketeers?

Senator WILLIAMS. At one of our first full committee hearings, we had testimony from people who knew about many of the frauds that were being perpetrated and we went on from there and, of course, we developed testimony that shows fraud not only in land sales but in many other areas too, with elderly people the principal victims.

Mr. FLANNERY. Which did you take up first?

Senator WILLIAMS. We have dealt at some length with both these land fraud propositions and also with what is even harsher, some of the worst misrepresentations and, in my judgment, frauds, that are being perpetrated on people with health problems, afflictions like arthritis, cancer, asthma, and many others. They promise the easy cure and they take their earnings that, of course, in retirement are dwindling and put them into these devices or whatever the so-called cure is and it is a tragedy—it is a multibillion dollar tragedy perpetrated on older people who can least afford wasting their meager savings.

Mr. FLANNERY. Did the testimony show how these older people were approached on these devices?

Senator WILLIAMS. Every media of approach is used. We have all seen, in the land sales, the extravagant claims for the retirement acres, or the investment acres in our newspapers. The radio is frequently used. Some of the worst racketeers spend unbelievable amounts of money on long-distance phone solicitation and matchboxes. Every media of communication we found used in perpetrating these misrepresentations.

Mr. FLANNERY. There are a lot of these old people—I think there are about 18 million who are retired today. What do they represent as a potential market for these grafters?

Senator WILLIAMS. Our best estimates show the purchasing power of the 18 million or so people over 65 in our country to be about $38 billion a year spent, which is, of course, a market that is very attractive to these plunderers.

Mr. FLANNERY. It is a large market in the aggregate, but to each one of these individuals it represents a rather large sum, generally, doesn't it?

Senator WILLIAMS. Well, it certainly does. We know that most people who are over 65 and living generally in retirement have incomes of less than $3,000 a year.

As we sit here, Harry, I have before me a long, long letter, from a woman of 59 who lives with her mother and father, and they are both late in their 70's. The total family income is $192 a month. She happens to be deaf and she has a hearing aid and this hearing aid cost her $300. The only trouble is that it wasn't a good one and she has had to replace it and replace that one, too. Here is another area where there is a lot of misrepresentation and gross overpricing of a device for health that so many people need.

Mr. FLANNERY. How can one of these elderly people find that they are getting a reliable hearing aid? Could they rely on their doctor?

Senator WILLIAMS. I would think so. In the health field the reputable physician is still the first line of defense against fraud. But, as we know there are so many afflictions where medicine has not found the answers. They have run the course with medicine and reliable physicians and have not had a cure and have had no promise of a cure and then come along the grafters who have the cure. In arthritis, it is unbelievable that devices that are sold, that are extravagantly praised as the sure cure, that costs in the hundreds of dollars, that are just worthless boxes of wires and coils and lights with no healing effect on the disease.

Mr. FLANNERY. I have seen that some of these that have to do with asthsma. They are called "ozone machines" and so forth and they have elaborate establishments into which many of these people come. They are all of this particular type, I imagine.

Senator WILLIAMS. Yes, and we, of course, have talked to people who are suffering from arthritis, for example. Even the executive secretary of the National Association for Arthritic People. I will never forget his testimony. He said, "you might think we are fools and we are dupes, but when you have this disease and none of your medical cures have worked, you will grasp at anything." He said, "Even today if I read an ad that offered some device that seemed to represent a cure, I would buy it. I would buy it quietly, I would go into the back room and try it so nobody would know, but I would reach for that straw too."

Mr. FLANNERY. And this also enters into the field of mail-order glasses, I understand.

Senator WILLIAMS. Yes. I am a recent user of spectacles, but my doctor, my optometrist tells me that no two eyes are alike in terms of vision. If you need assistance through glasses, you must have glasses fitted, because if you are going to buy them through the mail, both lenses—well, might be alike or they might not be, but they are not the lenses fitted to your eyes, so these $10 or $15 mail order glasses just by definition cannot be the relief for people with failing eyesight.

Mr. FLANNERY. I understand that the National Society for the Prevention of Blindness has warned against these mail order glasses.

Senator WILLIAMS. Yes, they certainly have. You know, I think our committee hearings have had a good effect in a lot of these areas. I am told, and follow it myself, that a lot of the advertising, particularly in the area of land frauds has been subdued since we have put a national spotlight on some of the worst of the misrepresentations. For example, formerly we used to see a lot of great claims for some of the Florida investment and retirement sites. We put the spotlight on and found out a lot of them are hopelesly lost in jungles and under water in the swampland.

Now they are sold as swampland; a lot of people are going to buy swampland. Probably they are wise or unwise, who knows? But at least they are describing it as swampland and not as a "meadowland," or "on a plateau."

Mr. FLANNERY. I think these were advertised (I remember seeing some of these ads myself) as being at the rate of $10 down and $10 a month and a lot of people thought they wouldn't lose very much.

Senator WILLIAMS. Well, we are speculators, of course. That has been part of our national history. We went West to find gold. People read these ads, "$10 down, $10 a month, buy your 2 acres in sunny Arizona." I can see how it happens. We are not saying people should be protected absolutely against mail order land sales or sales through interstate communication, newspapers, or radio or whatever. All we want is an adequate and proper and fair description of the property.

Mr. FLANNERY. However, some of these ads were so worded that they might have been correct in what they did say, but they were misleading in their effect. I don't suppose there is anything in particular you can do about that except to hope that people are

not misled. I am thinking, for instance, of one of the Florida cases which didn't advertise retirement lots, as many of the others, but did say they are good investments. Of course, they may not be good investments.

Senator WILLIAMS. As long as if they put in just the rudiments of fair disclosure. They can make the conclusion "good investment" but what will make a good investment? They have to have some improvements, a susceptibility to power, you know. If it's an area where you know there will not be telephone communication or transportation for 100 years, then it's not a good investment for anybody. Maybe if it were held onto the 10th generation it might ultimately be.

Mr. FLANNERY. Well, these advertisements appeared in reputable newspapers and might, therefore, be considered reliable. Is there anything to be done about that?

Senator WILLIAMS. This has disturbed me and we know that many great papers carry these ads. I would just hope that the newspaper folks would exercise greater self-discipline and would find ways to check. The better business bureaus, by the way, are in the forefront of the fight against this misrepresentation and doing a good job. I would recommend anybody when they are buying at more than arm's length, at 2,000 or 3,000 miles, maybe it would be a good idea to stop down to the better business bureau.

Mr. FLANNERY. What about legislation?

Senator WILLIAMS. We are earnestly searching through the problems of the fair disclosure bill for real estate sales, perhaps modeled on our experience with the SEC and the disclosure principles of the sale of securities. In the health field, I think devices, if properly defined, could be included in the Food and Drug Administration's general area with their disclosure requirements prior to the new drug being submitted. We could also have something like this in devices.

Another area by the way, is this mail order health insurance. We found a lot of abuses here, notwithstanding a lot of good companies writing good policies there are a lot of bad ones who are, in the finest print or even beyond the printed page, making claims that just don't stand up when the problem comes. And the claim is in for the doctor bill or the hospital bill, whatever it is.

I think it has helped and I think more publicity will be additionally helpful to those who are being bilked by the plunderers. The salesmen of sorrow, someone said, and they are.

Mr. FLANNERY. Thank you, Senator HARRISON A. WILLIAMS, chairman of the Senate Subcommittee on Frauds and Misrepresentations Affecting the Elderly. The interview was in the Senator's office in the Senate Office Building. This is Harry W. Flannery, your reporter, who invites you to be with us next week at this same time when "As We See It" again comes as a presentation of the AFL–CIO and ABC public affairs.

The program has been brought to you by the ABC network and the affiliated stations to which you are listening.

Extra-Long Staple Cotton Exports

EXTENSION OF REMARKS
OF
HON. THOMAS G. MORRIS
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. MORRIS. Mr. Speaker, on June 3, 1964, I addressed the House on the subject of selling American-grown extra-long staple cotton for export. At that time, I deplored the delay which was taking place and urged that our cotton be sold in foreign markets at competitive prices. Mr. Speaker, I am pleased to report that the U.S. Department of Agriculture on July 9, 1964, announced an export sales program for domestically grown extra-long staple cotton. However, for some reason the announcement stated that no more than 5,000 bales per month would be sold. If there is a need for this kind of cotton abroad, I do not understand why such a limitation should be imposed. I am certain that the Department will get the sales program underway quickly and that it will be administered in such a way as to insure results so satisfactory that the quantitative limitation can be eliminated.

I am sure that my colleagues from areas where this specialty type cotton is grown, as well as all economy-minded Members, join me in expressing great interest in the success of the program.

World Cruise of First U.S. Navy Nuclear Task Force

EXTENSION OF REMARKS
OF
HON. WILLIAM H. BATES
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. BATES. Mr. Speaker, last Friday was scientifically historic in more ways than one. First, the remarkable Ranger-7 moon shot achieved complete success, and thereby brought great credit to the American scientists whose talents perfected it. Also on that date, July 31, 1964, the first U.S. Navy nuclear task force began a world tour.

As a member of the House Armed Services Committee and the Joint Committee on Atomic Energy, I am naturally deeply interested in all of our scientific achievements, but I am particularly concerned about the development of nuclear power and its military applications. Therefore, I believe that the historic milestone represented by this nuclear task force cruise merits special atttention at this time.

The powerful U.S. naval task force left Gibraltar to circumnavigate the world. There will not be a single refueling operation conducted during the entire cruise as the three ships cover 30,000 miles in their sea orbit, at an average speed of 20 knots.

This, the world's first nuclear-powered task force, is the seed core of tomorrow's nuclear Navy. Under the command of Rear Adm. Bernard M. Strean, it consists of the attack carrier *Enterprise*, commanded by Capt. Frederick H. Michaelis; the missile cruiser *Long Beach*, commanded by Capt. Frank H. Price, Jr., and the missile frigate *Bainbridge*, commanded by Capt. Raymond E. Peet.

The voyage, which is proceeding eastward from Gilbraltar around the Cape of Good Hope and Cape Horn, will last approximately 2 months and will include a number of visits along the route. This significant circumnavigation of the globe is symbolic of America's nuclear leadership and progress for the purpose of preserving freedom and peace.

One cannot think of this adventure without recalling a similar American "first" of a half century ago—the round-the-world cruise of the great white fleet, which was dispatched from Norfolk, Va., in December of 1907 by President Theodore Roosevelt. It took our 16 battleships 14 months to complete their circuit of the globe, but when they steamed into Hampton Roads in February 1909 there was no question anywhere of America's greatness upon the seas—or of her intent to keep those seas free for the peaceful uses of all nations. So shall this 1964 voyage by the fantastic creations of a new age underscore our resolve and reaffirm the United States historic purpose.

This undertaking highlights a decade of incredible achievement in the applications of nuclear power to ship propulsion. The next few months will see our Nation noting a series of 10th anniversary events along the path of nuclear power development. And atop the roll of honor associated with the birth and advancement of this era is Vice Adm. Hyman G. Rickover, without whose perseverance and ingenuity it might not have been realized.

The 30th of September marks the 10th anniversary of the commissioning of the world's first nuclear-powered ship, the U.S.S. *Nautilus*, in 1954. A few months later, on January 17, 1955, the world heard the dramatic words from the submarine's skipper, "Underway on nuclear power"—and we knew that the venture was an unqualified success.

From that day to this, the story of our nuclear-powered Navy is one of steady and breathtaking progress—of hard work and sacrifice by thousands of dedicated officers and men, of dreams and hopes made reality by the tireless effort of mind and hand. And out of all of it has come the assurance to people everywhere that the United States will continue to be supreme as a maritime nation.

Prep School Scholarships Available to Young Men Aiming for Naval Academy

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. HOSMER. Mr. Speaker, the Society of Sponsors of the U.S. Navy is a unique organization composed of women who have christened U.S. naval vessels. Its rolls include several first ladies of our

land and many other women of prominence from both service and civilian life. In appreciation for the honor which has been bestowed upon them by the selection as sponsors of ships of the world's greatest Navy, these fine women seek to insure a steady flow of capable young men through the Naval Academy to man their ships.

For this purpose the society of sponsors awards scholarships to young men for preparatory schools to prime them for entrance to the U.S. Naval Academy. To receive such an award, an applicant must be acceptable to the scholarship committee of the society as to character, aptitude for the naval service, scholastic standing and physical fitness. Also, the financial situation of his parents or of the applicant himself, in case he is an orphan, must be such as to warrant the expenditure of funds of the society in making such an award.

In allocating these scholarships the following preferences are observed: First, sons of deceased and retired Navy and Marine Corps personnel; second, sons of active Navy and Marine Corps personnel; third, sons of personnel of the other military services; and, fourth, sons of civilians.

Inquiries relative to the award and application blanks may be obtained from Mrs. Roy S. Benson, Quarters "O," Navy Yard, Washington 25, D.C.

Independence of Niger

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. POWELL. Mr. Speaker, today marks the fourth anniversary of the independence of Niger. On this memorable occasion, I wish to extend warm felicitations to His Excellency the President of Niger, Hamani Diori; and to His Excellency the Ambassador of Niger to the United States, Ary Tanimoune.

Just 4 years ago today the citizens of Niger celebrated their first independence day. This country, located in the heart of West Africa, is the largest of the eight territories that formerly comprised French West Africa and is about the size of Texas, Oklahoma, and New Mexico combined. Its population is about 3.1 million people.

This great land has accomplished much in the past 4 years. It has maintained cordial relations with all its neighbors and with the peace-loving countries of the world. Niger's greatest economic problem is that it is landlocked and has no outlet to the sea. In an attempt to improve its economic situation vis-a-vis the rest of the world, it joined with the Republics of the Ivory Coast, Upper Volta, and Dahomey to form the Council of the Entente. This union is partly responsible for the continued growth of all its members and recently it has supervised and coordinated the policies of the four countries in the fields of taxation, public administration, labor legislation, public works, transportation, and communications.

Niger's size is both a blessing and a curse. On the one hand, Niger's future is very bright for its economic potential has not been even nearly realized. On the other hand, there are so many people scattered over so wide a territory that economic unity and an organized coherent economic policy is hard to implement. The people of Niger can be proud of their recent accomplishments which suggest that the future will be bright for all Niger's citizens.

The economy of this large African country is based on agricultural production and stockraising. The country's cash economy is centered around the production and export of peanuts, peanut products, and a small amount of cotton, livestock, and livestock products. Industry is limited essentially to companies processing agricultural products, mainly peanuts, and operating a cotton gin. Ninety-seven percent of the population is engaged in farming and stockraising.

Niger's progressive republican Government—both the President and the national assembly are elected by universal suffrage—is currently working toward a more diversified economy. It is hoping to develop its now limited fishing, mining, and manufacturing industries and increase the agricultural production of millet, sorghum, and cotton. In this way the economy will no longer be dependent on the production of peanuts and peanut products.

We are proud today to salute the Government and the people of Niger. They have shown courage and fortitude in facing the many problems which are currently before them. Their progress since their independence has been marked and should serve as an inspiration for the years ahead.

We are proud to pay tribute today to the leaders of Niger: President Diori and Foreign Minister Amadou Mayaki. We wish them all well in the years ahead. May their country prosper and may they continue the stable and enlightened leadership they have demonstrated in the past. All Americans extend their best wishes to the people of Niger on the fourth anniversary of their independence.

What This Country Needs Is More Indians and Fewer Chiefs

EXTENSION OF REMARKS
OF
HON. EVERETT G. BURKHALTER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 3, 1964

Mr. BURKHALTER. Mr. Speaker, as a member of the Armed Services Committee, I have had an opportunity to observe Parkinson's law in operation. This law is something to the effect that the higher offices in the armed services increase as the need for them declines.

In other words, the less you need the higher ranking officers, the more of them you have.

This is nowhere better illustrated than in the tabulation of officers presently in the armed services, as contrasted with the officers we had available in the armed services during World War I and and in World War II and when we are actually at war.

Today there are approximately three times as many officers for each enlisted man as there was in World War I.

At the end of World War I there was 1 officer to every 17.9 enlisted men in all branches of the service.

The same figure today stands at 1 officer for every 6.9 enlisted men.

This figure seems to demand some justification.

Exploration of this figure in the different branches of the armed services reveals that the Marines, generally credited with the highest morale and the best fighting record when the going gets tough, have the lowest percentage of officers as compared with the number of enlisted men.

These figures are as of February, March, and April of this year; enlisted men 173,256 and 17,244 officers above the rank of major, a figure of approximately 1 officer for every 10 enlisted men.

Comparable figures for the same time show the Navy with 1 officer for every 7.5 enlisted men and the Army with 1 officer above the rank of major for each 7.9 enlisted men.

The figure in the Air Corps is considerably higher for ranking officers since they must be flyers. We find that there is an overall ratio of 1 officer for every 5.4 enlisted men.

One brief word on the overall totals. There are today in the Armed Services more than 109,000 officers of the rank of major or lieutenant commander and above. Of this figure more than 1,000 or 1,292 to be exact who have the rank of general officer or an admiral. Colonels and Navy captains totaled 15,472 in the spring of this year.

Parkinson's law is a facetious bit of writing in which it was emphasized that the bureaucracy increased as the need for it diminished.

There is nothing facetious about the figures I have just given you.

With 65 percent of our annual budget devoted to the armed services it seems to me that we should take a long look at this phenomena which appears to be developing in this country.

As a veteran and a concerned citizen, I see the need for some deep thinking about the pattern of our armed services. We have in this Nation an excellent Military Establishment in the National Guard which utilizes the citizen as a soldier. It was citizen soldiers that came to our rescue in World War I; it was citizen soldiers that were drafted and sent to

battle in World War II, and let us never forget it was a citizen army which defeated the British hired mercenaries in the War of Independence. It is my thought that we have given much too much weight in our military thinking to the professional soldier and the officer class which is growing away from civilian control as shown by the figures I have just submitted.

TABLE I.—*Field grade, general, and flag officers of the U.S. armed services*

	Army	Air Force	Marine Corps	Navy	Total, all services
Generals or admirals	506	431	60	295	1,292
Colonels or captains	5,148	5,492	607	4,225	15,472
Lieutenant colonel or commander	12,385	15,334	1,417	8,080	37,216
Major or lieutenant commander	17,111	23,740	2,496	11,964	55,311
Total	35,150	44,997	4,580	24,564	109,291

TABLE II—OFFICER TO ENLISTED MAN RATIO IN THE U.S. ARMED SERVICES

TOTAL ARMED SERVICES

Officers: 335,489.

Enlisted men: 2,348,238.

In the entire armed services there is an overall ratio of 1 officer for every 6.9 enlisted men.

Generals/admirals: 1 for every 1,817 enlisted men.

Colonels/captains: 1 for every 152 enlisted men.

Lieutenant colonels/commanders: 1 for every 63 enlisted men.

Majors/lieutenant commanders: 1 for every 43 enlisted men.

ARMY

Officers: 109,124.

Enlisted men: 858,099.

In the Army there is an overall ratio of 1 officer for every 7.9 enlisted men.

Generals: 1 for every 1,695 enlisted men.

Colonels: 1 for every 167 enlisted men.

Lieutenant colonels: 1 for every 69 enlisted men.

Majors: 1 for every 50 enlisted men.

AIR FORCE

Officers: 133,270.

Enlisted men: 732,116.

In the Air Force there is an overall ratio of 1 officer for every 5.4 enlisted men.

Generals: 1 for every 1,699 enlisted men.

Colonels: 1 for every 133 enlisted men.

Lieutenant colonels: 1 for every 47 enlisted men.

Majors: 1 for every 31 enlisted men.

MARINE CORPS

Officers: 17,244.

Enlisted men: 173,256.

In the Marine Corps there is an overall ratio of 1 officer for every 10 enlisted men.

Generals: 1 for every 2,888 enlisted men.

Colonels: 1 for every 285 enlisted men.

Lieutenant colonels: 1 for every 122 enlisted men.

Majors: 1 for every 69 enlisted men.

NAVY

Officers: 75,851.

Enlisted men: 584,767.

In the Navy there is an overall ratio of 1 officer for every 7.5 enlisted men.

Admirals: 1 for every 1,979 enlisted men.

Captains: 1 for every 138 enlisted men.

Commanders: 1 for every 72 enlisted men.

Lieutenant commanders: 1 for every 49 enlisted men.

TABLE III

At the end of World War I there was an overall ratio of 1 officer to every 17.9 enlisted men in the U.S. armed services.

At the end of World War II there was an overall ratio of 1 officer to every 9.3 enlisted men in the U.S. armed services.

At present there is an overall ratio of 1 officer to every 6.9 enlisted men in the U.S. armed services.

Export of Logs From Washington and Oregon Ports

EXTENSION OF REMARKS

OF

HON. JULIA BUTLER HANSEN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1964

Mrs. HANSEN. Mr. Speaker, my district depends to a considerable extent upon a healthy and viable lumber industry. Thousands of families exist on earnings gained from employment in some of the finest forests in the world. Thousands more earn their living from work in the most modern mills to be found anywhere.

The latest census figures show that in the 9 counties of southwestern Washington, which I represent, there were 99 mills employing 20 or more persons and that there were over 100 small mills employing less than 20. Estimates indicate that 15,000 to 20,000 jobs are filled by those working in the lumber and logging industry in the third district.

Thus, I am concerned, as are many other Members of Congress, over anything which would affect or threaten to affect adversely the timber industry. Many persons are concerned over the recent increases in exports of logs from the forests of the Pacific Northwest. They feel this increase in log exports will mean that not enough logs will be available to fill the requirements of the mills of the area and thus they feel employment could be expected to decrease and many persons will be jobless and without resources.

It was in 1961 that export of logs to Japan assumed serious proportions. In that year 328,116,000 board feet of lumber were exported from Pacific Northwest forests to Japan. There were 6,775,000 board feet exported to Canada and 129,000 board feet to South Korea. Thus, in 1961 a total of 335,675,000 board feet of logs were exported from the Pacific Northwest. In 1962, the total decreased to 311,223,000 board feet, most of which was sent to Japan.

But in 1963 log exports in terms of board feet more than doubled when 638,722,000 board feet were exported to Japan; 51,216,000 to Canada; and 17,582,000 to South Korea. Experts expect that during 1964 new records will be set in exports of logs from Washington and Oregon ports. During the first 3 months of this year, 228,883,000 board feet of logs were exported compared with only 110,210,000 in the same period of 1963.

If this trend continues, and there is every indication it will, log exports from our forests in the Pacific Northwest will exceed 1 billion board feet. Estimates indicate that this amount of logs, if processed in U.S. mills, would create between 5,000 and 10,000 new jobs.

When the Appropriations Subcommittee on the Interior and Related Agencies was hearing testimony earlier this year from Forest Service officials, I asked several questions about export of logs. I would like to quote those questions and the answers.

Mrs. HANSEN. How many logs from the U.S. Forest Service have been exported to Japan as logs?

Mr. CLIFF. We have no way of knowing, because once the timber is sold and removed from the national forest, it can be diverted to mills and markets in several different directions. It becomes private property and we do not keep track of what private parties do with the logs after they become private property. We know some timber from national forests has been exported.

Mrs. HANSEN. Is your policy different from Canada's in that respect?

Mr. CLIFF. I think it does differ; yes.

Mr. GREELEY. I think the policy of the Province of British Columbia sets a method of control by the Provincial government on the shipping out of the Province of logs in unmanufactured form.

Mrs. HANSEN. Is it not based upon first priority to needs of local mills within British Columbia, and any logs that are not needed or are in areas where mills do not exist can then be exported?

Mr. GREELEY. I have always understood it was quite difficult to secure an export permit from the Province of British Columbia.

Mrs. HANSEN. We have no policy that we must serve our own manufacturing areas first in this country?

Mr. GREELEY. That is correct.

Mrs. HANSEN. I believe exports to Japan have been 1 billion board feet very recently.

Mr. GREELEY. They have stepped up this year considerably over what they were.

Mrs. HANSEN. Is it not true that they will step up again in the very near future?

Mr. CLIFF. We do not know.

Mrs. HANSEN. The demand usually comes at the end of the winter season.

Mr. CLIFF. It is possible that they will increase some.

After 15 Years of Urban Renewal, Norfolk Continues as "Shining Example"

EXTENSION OF REMARKS

OF

HON. ALBERT RAINS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1964

Mr. RAINS. Mr. Speaker, in the May 1964 publication of the Norfolk Chamber of Commerce entitled "New Norfolk,"

there is what I consider to be an excellent article on the urban renewal program in Norfolk, Va. This article was written by my good friend and colleague, the distinguished gentleman from Virginia's Second Congressional District, Mr. PORTER HARDY.

I am including this article in the RECORD, because I feel it merits the careful consideration by all Members:

AFTER 15 YEARS OF URBAN RENEWAL, NORFOLK CONTINUES AS "SHINING EXAMPLE"

(By PORTER HARDY, JR., Member U.S. House of Representatives from the Second Congressional District for 18 years)

The lack of decent housing for millions of Americans in slums, and the growing decay of our cities in the past, presented overwhelming problems. No individual, no private organization, nor even any local government could successfully tackle them alone.

The urban renewal program was established by Congress in 1949 during the Truman administration. It grew out of a recognition that blight in urban areas and all its attendant evils constituted problems that had to be faced. The sound growth and development of our cities was recognized as an important goal of national policy and the accomplishment of this goal required Federal encouragement and assistance.

Urban renewal has been a bipartisan program from the start, sponsored and approved by Republicans and Democrats alike. Senator Robert A. Taft was one of its original three sponsors, together with Senator Ellender, of Louisiana, and Senator Wagner, of New York. During the Eisenhower administration in 1954, and again in 1956 and 1959, it was expanded and strengthened. Substantial improvements were made and additional funds were authorized by the Congress in 1961, the first year of the Kennedy administration.

Urban renewal has not been limited to any particular region of the United States, nor has it been limited to big cities. In 1963, nearly one-half of more than 700 localities actively participating in the program had populations of less than 25,000—many of them in the Southeast. Of 1,556 federally assisted urban renewal projects or activities in the Nation at the end of 1963, a total of 339 were in the Southeastern States, and 35 in Virginia. This has become truly an effective national program, serving well all sections of the country.

The Congress stipulated in its 1949 Declaration of National Housing Policy that "private enterprise shall be encouraged to serve as large a part of the total need as it can" in order to attain "a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities, and to the advancement of the growth, wealth, and security of the Nation."

The primary emphasis on private enterprise has remained a basic principle of the American urban renewal program.

Through urban renewal, local governments help and support private industry to achieve what it cannot do alone. The Federal Government, pursuant to requests from the localities, provides necessary additional funds and technical know-how which local governments cannot supply from their own resources.

NEARLY $4 BILLION SPENT TO DATE

The total Federal expenditure authorized by the Congress for urban renewal to date is nearly $4 billion. That is a lot of money. But compared to some other Federal programs it is relatively small. Notwithstanding the few instances of mismanagement which have been identified, the results this $4 billion has achieved are tangible and truly phenomenal. Aside from helping to build the physical environment we want for ourselves and our children, it is proving to be a good investment financially.

Recent congressional hearings on urban renewal legislation have brought out the impressive fact that every dollar of Federal investment in urban renewal generates about $6 in private investment—in building construction and related activities that are of direct benefit to the growth of our national economy, and of permanent financial gain to cities and local governments.

With mushrooming increases in municipal costs and limited tax sources, local governments need money. Cities, through urban renewal, have been able to raise their revenues to realistic and responsible levels, to strengthen their economic sinews through real estate tax gains. They have increased commercial and industrial activity and achieved higher returns from land put to new and better uses and more receipts from business privilege taxes. New jobs, new markets, and business expansion have resulted from better location, improved traffic, and adequate parking. There has been considerable attraction of new enterprises—particularly distributive and wholesale firms—that do not want to be trapped in undesirable sites. Thus cities, through urban renewal, once again can stand on their own feet.

NEW BUILDINGS STRENGTHEN TAX BASE

One building in a 35-acre section of one urban renewal area in Norfolk today pays two times the taxes formerly received from the entire section. One new downtown hotel, on 5 acres of former crime- and disease-infested slum, produces 18 times the real estate tax revenue of the structures it replaced.

It is well established that city governments cannot be strong without a sound real estate tax base. I know of no public program which can do more to strengthen and reestablish American local government to its rightful place than urban renewal.

No city wants to sit and rot. Now most of them are working out of this dilemma through our national housing legislation and are voluntarily initiating their own programs of urban renewal. There is no compulsion about it. Urban renewal is planned, initiated, and executed locally. The full responsibility for carrying out the program rests with the community.

All of us are proud that Norfolk has been a pioneer in urban renewal, and proud that it was cited in congressional hearings as an outstanding example among cities that are building and rebuilding with confidence for the future. Norfolk's pre-urban-renewal expenses for crime prevention, public health, police and fire protection, and other slum costs were tremendous. Its slum areas were a festering drain on the city's resources, a drain that could not be allowed to continue without ultimately destroying the community.

BEST IN COUNTRY

Today, after 15 years of urban renewal, Norfolk is a shining example of what urban renewal can help to achieve—a growing, thriving metropolis that is well on its way to clearing most of its slums, providing improved and more efficient locations for business and industry, and for new educational and cultural facilities. Norfolk has carried out its urban renewal and related community development activities, trade expansion projects, and transportation improvements, in fulfillment of the intent of Congress that urban renewal should be a program for the benefit of the cities and the people of the land.

The ranking minority member of the subcommittee on Housing in the U.S. House of Representatives, the Honorable WILLIAM B. WIDNALL, Republican, of New Jersey, was so impressed by Norfolk's achievements that he made the following statement on October 24, 1963, to Norfolk officials who had just finished their congressional testimony for this subcommittee headed by the Honorable ALBERT RAINS, Democrat, of Alabama:

"I certainly want to congratulate you on having what appears to be the best urban renewal program in the country.

"For some time many of us, who are interested in urban renewal, have understood that you have used all the tools that are necessary to make an urban renewal program work. We wish you good luck in the future.

"Keep up the good work, and I hope that you can still continue your good, sound program."

Norfolk has undergone a transformation which only those who have seen it can realize and appreciate. I am proud that my colleagues in the Congress on both sides of the aisle have been outspoken in recognition of the fact that the rest of the Nation looks to Norfolk, a bustling world seaport and naval base to maintain leadership in urban renewal.

Winchendon Bicentennial

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1964

Mr. PHILBIN. Mr. Speaker, I am pleased and proud to bring to the attention of the House the 200th anniversary of the founding of the beautiful and gracious town of Winchendon, Mass., in my congressional district. It is also a high privilege for me to introduce in recognition of this outstanding event a special resolution extending the greetings and felicitations of the U.S. House of Representatives to the wonderful Winchendon community on the occasion of this happy anniversary.

At the outset, I wish to extend my own personal congratulations to all the people of Winchendon upon this occasion and to wish for this lovely New England town a truly glorious future.

From earliest days, Winchendon has been literally steeped in religious and patriotic dedication. This wonderful town was founded by resolute, God-fearing people, hardy souls, who did not know the meaning of the words fear or doubt, determined pioneers, unalterably devoted to belief in divine providence and determined to live under conditions of freedom, liberty, and peace.

What extraordinary changes have taken place in the past two centuries in this town. In 1764 Massachusetts was merely 1 of 13 British colonies and Winchendon had only a handful of inhabitants, every one of whom was subject to King George III.

Our forefathers lived in a veritable wilderness constantly beset by wild beasts and hostile Indians, politically hemmed in by unfriendly forces on every side, except on the narrow strip along the coastline. They were governed from across the Atlantic Ocean by a mother country, intent upon imperial domination.

Economically, the early colonists and settlers here lived under primitive conditions, their rock-strewn farms were meager openings in the vast expanse of forest, their villages separated by intervening woods and wilderness. But from hilltop to hilltop majestically rose their meetinghouses, the center of their community lives, the habitat of their profound religious spirit and their fierce determination to establish places of worship, law and order, and free democratic government.

There was no manufacture, no industry except that wrought by willing female fingers on wheels and looms by the rustic, domestic firesides. The British Parliament would not permit the making of even one hobnail in the colonies. Our forefathers were in a state of total dependence under a royal dictatorship that had no intention of relaxing its stringent control over their affairs.

In these days, the town of Winchendon was, on the frontier, so to speak, the Dodge City of the 1760's, in the thinly drawn streamline of the bitter struggle between England and France to rule and exploit the colonies.

But these conditions were not destined to be long continued. The powerful spiritual strength, the incredible faith and courage, amazing resourcefulness and determination and sacrifices of the early pioneers, their persistency and never-say-die spirit, in time triumphed over the forces of repression.

The rest of the story is set in golden letters in the history books recording the growth of ordered civil liberty, economic strength, and the spiritual uplift of this great Nation.

Today our country is the giant of the North American Continent, the most powerful, richest, and most advanced Nation in all the world, rich almost beyond contemplation, powerful in ways that stagger the imagination, rich with accumulations of industry and the returns of commerce and the highest standards of living the world has ever known.

Gone are the wild beasts and savages, fleeing before a way of civilization that could not be stayed; gone is the military dictatorship, the imperialistic control, the harsh trappings of tyranny.

With materialistic progress has come unprecedented progress in the arts, the sciences, civilization, religion, spiritual development, scientific progress, and all of these have their proud temples in this beautiful town and the towns, villages, and cities spread from coast to coast, north, south, east, and west, all over this great Nation.

Truly, a miracle has taken place, and the astonishing transformation is everywhere to be seen. God has smiled on the wilderness and it has become a garden. In all this vast, creative work through the past 200 years, Winchendon has played a great, moving part for the benefit of her people, her American traditions, and the high purposes and ideals of the early settlers.

If time permitted, I could trace step by step the fabulous growth of this fine community, its steady march toward free government and independence and organized civil, social, and economic life, a life directed democratically according to the will of its loyal pepole in accordance with the principles of the American constitution.

I could record the Act of Incorporation in 1763 which granted this town all the high privileges of local self-government, honored by the names of men and true heroes like Simond Epes, Thomas Berry, and others. In fact, if some of the early settlers had their way, and if the courts had not intervened, this town might have been known as Epesberry and that would be something. I could go on and on reciting the litany of this glorious record of achievement for freedom, for law and order, for material and spiritual progress, for advancement in every field of human endeavor.

Yes, my friends, in war and peace, in struggle, joy and sorrow, in adversity and times of smooth sailing, the men and women in the community of Winchendon have always rallied with fortitude and fidelity to the call of country wherever that trail led them.

From Bunker Hill to Korea and Vietnam, Winchendon has shown its mettle and has demonstrated its allegiance to the proud standards of freedom and to the demands of progress in this changing world, this age of terrible destructive power, fabulous advancement and untold potential yet to be realized.

What an inspiring record this is. Yet, today, paradoxically enough, we face greater problems and difficulties than ever before, because in a very real sense the institutions which the settlers founded here with such valor, intelligence, resolution, and sacrifice are challenged as never before.

Today we must draw inspiration from this great and glorious past history, even as we recognize that we can never turn back the clock, that the Nation and the world must go forward, must go upward to broader and higher goals, must adapt to the revolutionary changes that are taking place all around us, necessitated by the demands and needs of the new age and the times in which we live.

Today we must be thankful, too, with hearts overflowing with everlasting gratitude for the blessings of the Creator and the marvelous work of those who have preceded us and whose blessed memory we honor.

Each generation must labor and, if necessary, fight, for human liberty and freedom and the right to enjoy democratic government, free enterprise, free religious and civil rights.

It is for us, inspired and activated as we are by the example of selfless devotion, creative accomplishment that has come down to us in every generation through the years, to make up our minds that we of this generation will leave nothing undone to uphold our gleaming heritage of liberty and faith, that we must and will overcome every obstacle that confronts us along the way with all the power and might of this great Nation, as well as with the qualities and endowments of understanding, brotherhood and compassion that come to us from the spiritual truths and moral precepts of our way of life, to guard, develop, perfect, and enrich our free institutions, so that we, and those who follow us, can enjoy the freedom of this great land, and that enduring peace in the world that will come to us, God willing, if we but strive to the best of our ability and strength to make this Nation and this world a better place in which to live for ourselves and for all people.

Out of a grateful heart for the encouragement and sustaining strength Winchendon has given me in this great crusade for freedom and humanity, I reverently express the hope and prayer that the next 200 years, and the time to come, will bring to Winchendon and all its loyal people that greatness in the spirit and the ways of independence, liberty, and peace which will insure prosperity and happiness, not only in the material sense, but in the spiritual graces that have always been so much a part of this splendid American community.

Let us rededicate ourselves and resolve:

Never to oversimplify or overcomplicate our problems, or to abandon the principles and values that made us a great, God-fearing nation, always to stand with courage, faith, and determination in the struggle to preserve and advance the cause of freedom, always to remain firm without fear or doubt, in the spirit of the founders and early settlers, to keep this Nation, what it was intended to be: A safe, free, secure dwelling place for the human spirit, a sanctuary for those dedicated to human freedom and unalterably pledged to human progress and peace.

Mr. Speaker, in observance of its 200th anniversary, Winchendon has planned many events and some of these have already taken place. Among these was a huge parade with nearly 6,000 marchers on June 13, which attracted thousands of visitors to the town. In addition, on Sunday, June 14, commemorative exercises were conducted and it was my great privilege to deliver the commemorative address.

At the request of Mr. Gerald C. Clapp, chairman of the bicentennial parade committee, I was privileged to extend invitations to the Winchendon celebration to the armed services and it was gratifying to obtain splendid cooperation from the various branches of the services.

Through the effective help of Rear Adm. W. B. Sieglaff, commandant of the 1st Naval District, Boston, the outstanding 30-piece U.S. Naval Base Boston Band participated in the parade. Maj. Gen. Charles H. Terhune, then com-

mander, Electronics System Division, Air Force Systems Command, Hanscom Field, made available a four-man color guard.

Adm. E. J. Roland, Commandant of the U.S. Coast Guard, authorized a boating safety exhibit. Maj. Gen. B. F. Evans, Jr., commanding general, Fort Devens, insured the participation of the excellent 18th U.S. Army Band.

Another outstanding band on hand was the 8th Air Force Band stationed at Westover Air Force Base.

Mr. Speaker, under unanimous consent to revise and extend my remarks in the RECORD, I include the text of my resolution extending greetings and felicitations to Winchendon on the occasion of its 200th anniversary.

May the good Lord save, guide, and protect our great country and the outstanding community of Winchendon.

The resolution follows:

Whereas the year 1964 marks the two hundredth anniversary of the founding of the town of Winchendon, Massachusetts; and

Whereas from the time of settlement the people of Winchendon have figured conspicuously in the founding and growth of this Nation; and

Whereas the observance of the two hundredth anniversary of Winchendon is being celebrated with impressive community ceremonies; and

Whereas Winchendon is a progressive community rich in historic interest, distinguished for its fervent civic spirit, and faithfully devoted to American institutions and ideals: Now, therefore, be it

Resolved, That the House of Representatives extends its greetings and felicitations to the people of Winchendon, Massachusetts, on the occasion of the two hundredth anniversary of this community and the House of Representatives further expresses its appreciation for the splendid services rendered to the Nation by the citizens of Winchendon during the past two hundred years.

Norwegian Contributions to American Life

EXTENSION OF REMARKS
OF

HON. THOR C. TOLLEFSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1964

Mr. TOLLEFSON. Mr. Speaker, it was my privilege to address the Sons of Norway and the Daughters of Norway organizations of my district on the subject of Norwegian contributions to American life.

I ask permission to insert the address in the CONGRESSIONAL RECORD for the information of those Members who might be interested in the subject.

NORWEGIAN CONTRIBUTIONS TO AMERICAN LIFE

One hundred and fifty years have passed since the Constitution of Norway was promulgated by the National Assembly at Eidsvold on May 17, 1814. That constitution was formulated by an assembly composed of 112 elected delegates—farmers, merchants, civil and military officials, and a few noblemen. Norway's long fight for freedom had at last been won.

Since 1814, Syttende Mai has been celebrated in Norway as we celebrate the Fourth of July in America. By the 1860's, Seventeenth of May celebrations were being held in some communities in America in which many Norwegians had settled.

The coming of pioneers from the fjords of Norway to the coasts, valleys, and plains of America is a story with more than one beginning. According to the sagas of the Vikings, Leif Erikson landed somewhere on our North Atlantic coast about the year 1003. In the years that followed, Thorfinn Karlsefni established a colony, and it was there that the first white child was born on American soil, probably in the 1020's.

Unlike these earliest Norwegian settlers, those who landed with their Dutch friends from the *de Eendracht* at New Amsterdam in 1630 made permanent homes in America. It is not possible to determine the number of Norwegians who came to New Netherlands during the period of Dutch rule. John O. Evjen has reconstructed the biographies of 57 who came during the period from 1630 to 1674. That there were more is possible. They intermarried with the Dutch and Germans in the colony, and many of the old Hudson River families can count Norwegians among their ancestors.

The modern story of Norwegian migration began with the arrival in 1825 of 53 immigrants, including a baby born at sea, from Stavanger in the sloop *Restaurationen*. They entered New York harbor on October 9 after a voyage of 14 weeks. The newcomers settled first in Orleans County, some 35 miles northwest of the city of Rochester, N.Y. There they bought 40-acre tracts of heavily forested land at $5 an acre.

The first year was a difficult one. Cold weather and illness overtook them before even a few inadequate huts were completed. Gradually, through hard work, they cleared enough land to support themselves; they put the heartbreak of those first grim years behind them; they won their personal war on poverty.

In 1834, a half dozen families left for the "place which is called Ellenaais," as one of the settlers wrote to a friend in Norway. Others from the New York settlement followed these pioneers and they were joined by newcomers from Norway. The banks of the Fox River in La Salle County, Ill., became the center of Norwegian life in America.

Only scattered individuals left Norway for America between 1825 and 1836. The 1836 group, almost 200 strong, was the first large contingent to go directly to the West. From this time on there was no break in the movement from the fjords to the prairies. More than a million Norwegians came to America between 1825 and 1925. Except for Ireland, Norway gave to America a larger percentage of her people than any other nation during the transatlantic migration of the 19th and early 20th centuries.

Various reasons lay behind this movement to America: A desire to escape social and economic oppression at home; political dissatisfaction; a reaction against the barren formalism of the state church; a desire to escape high taxes and compulsory military service; and the quest for cheap land, economic security, and a richer life.

The first migration in 1825 was led by Norwegian Quakers who left their homeland in quest of religious, economic, and political freedom and settled on the shores of Lake Ontario. The last migration was led by Norwegian Mormons, seeking the same things, who marked the path to Utah and the Far West. The discovery of gold in California was as strong a force as the discovery of the rich, black soil of Illinois had been in earlier days.

Prodded by conditions at home and drawn by glowing letters from America, in succeeding waves the Norwegians made the hazardous Atlantic crossing and joined the westward movement. They came in succeeding decades to Illinois, to Wisconsin, to Iowa, to Minnesota, to the Red River Valley, and the Dakotas. From there they moved to Montana, and came at last, with courage and endurance, over desert and mountain, to the Pacific Ocean and Puget Sound.

In the Midwest the Americans from Norway generally engaged in farming. In smaller numbers they worked at skilled trades and helped to build railroads across the plains and mountains. In Montana they became miners and lumbermen, small farmers and businessmen. Shipping, fishing, and lumbering have been their main occupations on the west coast. In the higher brackets some own and operate packing companies, salmon salteries and canneries, codfish stations ashore, and large fishing vessels and steamers on the sea. They engage in the allied occupations of fish brokers, boatbuilders, marine architects, and inventors and manufacturers of fishing gear and canning machinery. Others of Norwegian descent have made significant contributions in the fields of government, science, education, and the arts.

The census of 1960 reported that there were in the United States a total of 774,754 people born in Norway or of Norwegian parentage in whole or in part. The 10 States that lead in the number of first and second generation Norwegians according to the 1960 census, are as follows:

Minnesota	156,788
California	76,499
Washington	74,925
Wisconsin	73,505
New York	62,116
North Dakota	53,213
Illinois	49,351
Iowa	28,765
South Dakota	26,330
Oregon	22,169

These figures present an inadequate picture of the number of persons of Norwegian ancestry because they do not take into account those whose parents were born in America. Some scholars estimate that there are in America perhaps a million more persons of Norwegian ancestry beyond the first and second generations.

Norwegians as a group and as individuals have made a significant contribution to our national life and culture. Even before they passed Bedloe Island they were imbued with a love of liberty and an appreciation of the worth of the individual, bred in them by their history and their life in the valleys and on the fjords of their native land. One result of the Civil War was to identify the Norwegian immigrants closely with the ideals and fortunes of their adopted country. Several thousand Norsemen responded enthusiastically to President Lincoln's call for volunteers. Deeply opposed as they were to slavery, many hundreds of Scandinavians "gave their strength and their lives for the unity and safety of their adopted country no less bravely and no less cheerfully than did the native-born American."

If now we recall a few outstanding Norwegian-Americans by name it is not to disparage that great unnamed majority who also served.

In the realm of military activity, Col. Hans Christian Heg organized and commanded the famous 15th Wisconsin Regiment which fought for the Union in many battles and lost one-third of its men, including its commander who fell at Chickamauga. In World War II a Norse battalion was formed as

part of the 9th Infantry Regiment stationed at Fort Snelling, and trained for winter warfare to help in liberating Norway. A Marine battalion known as Carlson's Raiders, led by Evans Carlson, won fame at Guadalcanal. Gen. Lauris Norstad helped plan the North African campaign. He served as Commander in Chief of the United States and Allied Air Forces in Central Europe in 1951, and as supreme allied commander, Europe, from 1956 to 1963. Now retired from the Air Force, he is president of Owens-Corning Fiberglass International.

As the frontier period passed, more technically trained Norwegians have made contributions to our American life. Olaf Hoff built tunnels under the Detroit and Harlem Rivers. Ole Singstad constructed the Holland, Lincoln, and Queens Midtown Tunnels in New York. Sverre Dahm played a leading role in the construction of the New York subway system. Gunvald Aus and Kort Berle built the Woolworth Building in New York, the Supreme Court Building in Washington, and many others.

In the field of science, Oswald Veblen, John A. Eiesland, and Ostein Ore have been among America's leading mathematicians. Ernest O. Lawrence won the 1939 Nobel award for his invention and development of the cyclotron. Merle Tuve is director of the department of terrestrial magnetism at the Carnegie Institution in Washington. Lawrence Hafstad, former Director of Reactor Development for the Atomic Energy Commission, is now director of research laboratories for General Motors Corp. Dr. Philip Abelson, inventor of the nuclear submarine, now with the Atomic Energy Commission and the Carnegie Institution, who was born in Tacoma.

In the field of medical science, Dr. Ludvig Hektoen has made constributions in cancer research, and Dr. Alfred Owre in dentistry.

Our educational leaders have included Bryn Hovde, former head of the New School for Social Research; Frederick Hovde, president of Purdue University; Peter Odegard, former president of Reed College at Portland, Oreg., and now professor of political science at the University of California; Charles Odegaard, president of the University of Washington; Agnes Mathilde Wergeland, former head of the Department of History at the University of Wyoming, the first Norwegian woman in the world to earn a Ph. D. degree; and Theodore C. Blegen, professor of history and former dean of the graduate school at the University of Minnesota.

In the domain of letters our people have made a major contribution. Prominent in the field were Rasmus B. Anderson, Waldemar Ager, Simon Johnson, and Johannes B. Wist. Martha Ostenso's novels have been widely read. But the outstanding man of letters among us was Ole Edbart Rolvaag, whose masterpiece, "Giants in the Earth," was first published in 1924.

Norwegians prominent in the field of journalism include Victor F. Lawson, former publisher of the Chicago Daily News and founder and first president of the Associated Press; William Evjue, editor of the Madison Capital Times; and Eric Sevareid, journalist and radio and television commentator.

In the arena of sports we can point with pride to Knute Rockne, Sonja Henie, Molla Bjurstedt Mallory, and Torger Tokle.

Last but not least our people have made their contribution to American Government. Almost two dozen men of Norweigian descent have occupied Governors' chairs—among them Floyd Olson, Elmer Benson, Edward J. Thye, and John Erickson, and Arthur B. Langlie and Mon Walgren of our own State. Since 1883, about three dozen have served in the House of Representatives, and about a dozen in the Senate. Knute Nelson represented Minnesota in Congress for 33 years, 6 in the House of Representatives and 27 in the Senate. On his 80th birthday he received messages of congratulations from the King of Norway, the President of the Norwegian Congress, and President Harding. Senators MAGNUSON and JACKSON represent our State today in the Senate.

Thus, the dream of our Norwegian ancestors has come true in generous measure. In cooperation with millions of our fellow citizens, we have advanced man's age-old struggle for freedom, and made our own America. As once again we celebrate the 17th of May, we can recall the struggle, and the achievement of our forebears. In their spirit we face the future with hope and confidence, and with a desire and will to make our America a place where our children will be as proud to be citizens as are we.