CONFIRMATIONS

Executive nominations confirmed by the Senate June 2, 1961:

BUREAU OF CUSTOMS

COLLECTORS OF CUSTOMS

Ernesto Flores, of New Mexico, to be collector of customs for Customs Collection District No. 50, with headquarters in Columbus, N. Mex.

Cornelius F. Reardon, of Montana, to be collector of customs for Customs Collection District No. 33, with headquarters in Great Falls, Mont.

A. Bayard Angle, of Florida, to be collector of customs for Customs Collection District No. 18, with headquarters in Tampa, Fla.

Mrs. Edna M. Scales, of Oregon, to be collector of customs for Customs Collection District No. 29, with headquarters in Portland, Oreg.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 5, 1961

The House met at 12 o'clock noon.

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

Lamentations 3: 4: *Let us search and try our ways, and turn again to the Lord.*

O Thou who hast made us for thyself, grant that as we turn to Thee in our moments of prayer and meditation we may feel the touch of Thy spirit drawing us unto Thee with the cords of love that cannot be broken.

May it be the deep and dominant longing of our hearts to know Thy presence and power more intimately which alone can dispel our doubts, solve our problems, and quiet our fears.

Help us to respond to the constraint of those lofty impulses and aspirations commanding and encouraging us to remain steadfast, however belligerent the forces of tyranny and aggression may be.

Inspire us to pray fervently and labor faithfully for the fulfillment of the vision of a new and better day which at times is beshadowed but never eclipsed, obscured but never extinguished.

Hear us in the name of the Prince of Peace who came to lead mankind out of hate into love, and out of sin into salvation. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, June 1, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5954. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, 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. ROBERTSON, Mr. MCCLELLAN, Mr. BIBLE, Mr. HAYDEN, Mr. MONRONEY, Mr. JOHNSTON, Mr. HRUSKA, Mr. BRIDGES, and Mr. KUCHEL to be the conferees on the part of the Senate.

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

S. 1720. An act to continue the authority of the President under title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world.

THE LATE JOHN HAROLD FLANNERY

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Speaker, on Saturday, June 3, at 4:30 p.m., in the National Institutes of Health at Bethesda, Md., a distinguished former colleague of yours and of many of the Members still here, and a predecessor of mine in this seat I now have the honor to hold, and a dear and close personal friend of mine, passed from the scene of his many and arduous labors—the Honorable J. Harold Flannery, late president judge of the court of common pleas in Luzerne County, and a former Representative in Congress from Pennsylvania, who died unexpectedly of heart failure. He was 63.

Hospital attachés at the Bethesda institution, a major medical research center, reported the jurist's heart failed as a result of complications due to "acute bronchial asthma," a serious respiratory ailment. He was admitted to the institution on Friday, June 2, at 1 p.m. after a hurried flight by private plane from the Wilkes-Barre-Scranton Airport.

At his bedside when death came was his wife, the former Anne Allen, and his son, Attorney J. Harold Flannery, Jr.

Judge Harold Flannery, a resident of 906 Susquehanna Avenue, West Pittston, Pa., was a candidate for reelection to a third consecutive 10-year term on the common pleas bench this year. He seemed certain to be elected in view of his endorsement by both political parties which nominated him in the recent primary.

Judge Flannery had been in ill health for several months. On the day after he received the nomination of both parties for a third term, May 17, he was admitted to Wilkes-Barre General Hospital. On May 24, a week later, Flannery was removed home from the hospital, where he was recuperating.

His condition apparently worsened, and I made arrangements for his admission to the Bethesda institution on recommendation of his personal physician, Dr. Malcolm Borthwick, of Dallas.

I was deeply grieved when word of his passing came shortly afterward. We had been lifetime friends and years ago appeared together in many Little Theater productions in Wilkes-Barre.

Judge Flannery although endorsed for reelection by both parties, was regarded as a prominent voice in Democratic political circles. He served at one time as county Democratic chairman.

Prior to his election to the common pleas court on November 4, 1941, he served three consecutive terms as Congressman from the 11th District which encompasses Luzerne County. At the age of 38 he was elected to the 75th Congress in 1936 and won reelection to the 76th and 77th Congresses in 1938 and 1940. A terrific vote getter, he garnered over 100,000 votes in winning his third term in Congress, which he resigned to aspire for judge.

Prior to his tenure in Congress, he served from 1932 to 1936 as an assistant district attorney of Luzerne County. He prosecuted a murder case that attracted nationwide attention because of its similarity to "The American Tragedy," a popular novel at that time by Theodore Dreiser.

He also served as solicitor of Pittston, his native community, from 1926 to 1930. Judge Flannery was prominently known as an afterdinner speaker and as a humorist. He appeared at hundreds of functions throughout the county during his career as a Congressman and jurist.

Born in Pittston, April 19, 1898, he was the son of the late Maj. and Mrs. John T. Flannery, whose homestead was at 229 South Main Street, that city. After his marriage, he moved to West Pittston about 25 years ago.

He was a graduate of Wyoming Seminary, Kingston, after which he entered the U.S. Army in World War I. After the war, he returned to pursue his law studies and received his degree from Dickinson School of Law, Carlisle. He was admitted to the bar in March 1921.

His father, who was a city clerk of Pittston for many years, was popularly known as Captain Flannery. He served as captain of Company H, 9th Pennsylvania Infantry Regiment, in the Spanish-American War. He was later promoted to major.

Judge Flannery had two brothers in the legal profession. Attorney Frank Flannery, who died about 10 years ago, and Attorney Patrick Flannery, who died about 5 years ago. His son, Attorney J. Harold Flannery, Jr., is now serving with the Justice Department in Washington, D.C.

Judge Flannery was once a candidate for State superior court. In the late 1920's, he formed a partnership with Attorney William White Hall, of Pittston. Judge Flannery was a member of numerous organizations, particularly the Friendly Sons of St. Patrick of Greater Pittston. He was a member of the Immaculate Conception Church, West Pittston.

Besides his wife and son, he is survived by a sister, Mrs. Geraldine McCawley of Carbondale. Another sister, Grace, died several years ago.

The distinguished Sunday Independent of Wilkes-Barre, Pa., in the edition of June 4, carried the following editorial:

J. HAROLD FLANNERY

A real shock to all of Luzerne County was the completely unexpected death yesterday in Maryland of President Judge J. Harold Flannery, of West Pittston.

Known for years not to have been robust and known to have been given a recent thorough hospital checkup, he gave the people no reason to feel his life was in danger.

A sudden turn for the worse came and then, so quickly, the end of a splendid career as a jurist and as a man.

Perhaps it is best to let the records speak as to the standing of Judge Flannery.

And, just last month, with no one even in this politically ambitious county showing the slightest disposition to oppose him, Judge Flannery was given both nominations for his third term on the bench.

Even more than that is the fact that this is the second time, as came his time to ask if the people wanted him again, he had been honored with both nominations and given no opposition.

It happened first 10 years ago and then again this year.

This is the finest and the most understandable tribute that can be paid the late President Judge J. Harold Flannery.

Had Judge Flannery lived, he would have returned to the Luzerne County bench as president judge. But we who knew and loved him, remember him also as a distinguished Member of this body. In both of these offices of great trust and confidence, he displayed qualities of leadership and ability that mark him as a statesman of the first order. Devoted as he always was to the Nation's prime interests, he reflected with great honor the confidence placed in him by the citizens of Luzerne County, when he served them in the Nation's Capital during the difficult days of the outbreak of World War II, and later for 20 years as an able and understanding judge.

Thousands of our fellow citizens in Luzerne County, and for that matter throughout the Commonwealth of Pennsylvania and the country, are indebted to him for his unceasing labors toward our general welfare.

There seemed to be no end to his indefatigable industry and his unlimited capacity for work. Toil, however, was being taken by his ceaseless activities which, no doubt, accounted in a large measure for his sudden death at a time when most of us felt he was at the meridian of his brilliant powers and great capacities.

The name and fame of every man survive for a little time or, perchance, for a little longer time—then disappear. It is strikingly true, however, that what a man is or does remains eternal.

Numberless thousands, recognizing in him the true qualities of leadership and friendship, are sorrowed by his passing. We have lost a great man we can ill afford to lose. The State of Pennsylvania and the county of Luzerne has lost an experienced and able jurist of whom they will always have reason to be proud. I have lost an old and true friend, a fine companion, and a dear colleague, the like of whom rarely exists among men.

Judge Flannery was a devoted husband, a kind and generous father whom his family loved deeply and respected fully. Harold, Anne, and I have been friends even before they were married so many years ago. I held Nicky, his only son, on my knee many and many a time. These ties and his family obligations were foremost in his consideration, and he was always attentive to their interests and their needs. Because of his early demise, a beloved member is absent from this wonderful family hearth.

I can say indeed, to those near and dear to him, that they have our heartfelt sympathy and the knowledge that we sincerely appreciate his real worth, both as a man and as a public servant.

In the busy pursuit of our everyday lives, it is quite appropriate to set aside a sacred hour to pause in serious reflection and to pay deserved tribute to the memory of our departed colleague.

And so, Mr. Speaker, we gather today in this Chamber he loved and graced so well, to do honor to him, who but yesterday walked and labored beside us in public service.

The thought of death and this time dedicated to memorial observances must bring to each of us the stark realization of life's uncertainty, the immutable certainty of death, and the utter vanity of our human pursuits.

The issue of life has been framed for this beloved judge. In all the controversies involving mortal beings, he has finally answered the ultimate summons from the Supreme Judge of us all. How vain and useless would be our present proceedings were they not to awaken in us a more serious and conscious knowledge that we soon will follow in his train.

Mr. Speaker, our sadness today is lightened by a happy reflection of the great accomplishments attributed to him—accomplishments of trust and confidences kept, deeds of unselfish public service, and consecrated devotion to the noble ideals of manhood and statesmanship.

The great American poet, Longfellow, prescribed a mission in life for us all—a mission to which the life of this great statesman and jurist directs us:

> Lives of great men all remind us
> We can make our lives sublime,
> And, departing, leave behind us
> Footprints on the sands of time;
> Footprints, that perhaps another
> Sailing o'er life's solemn main,
> A forlorn and shipwrecked brother,
> Seeing, shall take heart again.
> Let us then be up and doing
> With a heart for any fate,
> Still achieving, still pursuing,
> Learn to labor and to wait.

Harold could walk with kings and never lose the common touch—he could walk with men in the common walks of life and never lose his appreciation of the value and the contribution of those who occupied a lower stratum of human society. It nearly seems a pity that men of such charm, personality, ability, devotion, and affection should die at any time, but particularly that they should die in the prime of life.

Through the years I missed many of my friends, but not more greatly and grievously than this one.

As long as I shall live, I shall cherish the memory of this fine warm friend, and I hope that today, like Sir Walter Scott on the way from Abbotsford to Melrose Abbey, as the spirit of Harold Flannery looks down from the battlements of heaven, he may catch a hallowed view of the scene where he worked and which he loved.

Mrs. Flood and I extend our deepest sympathy to Mrs. Flannery and to her son, J. Harold, Jr., who in their great sorrow have every right to be exceedingly proud of the spirited heritage which he left to them.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the RECORD on the life and services of the late Judge Flannery.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, I could not let this moment pass without associating myself with all of the fine tributes that have been paid to a very dear friend and former colleague, the Honorable J. Harold Flannery.

His death, at the age of 63, has removed one of the outstanding citizens of my State of Pennsylvania, where he had served with distinction as a jurist and as a Congressman.

Judge Flannery was a man of tremendous vigor. He also was an individual who possessed a truly wonderful sense of humor. Both helped to mold the qualities of leadership and friendship that everyone who ever knew him admired.

From his school days in Wyoming Seminary, Judge Flannery was marked for distinction. His own townspeople of Pittston named him their solicitor. He later served as an assistant district attorney of his county, Luzerne, and at the age of 38 was selected by the electorate to serve here in the U.S. Congress.

From the time he first came into the halls of Congress with the 75th Congress in 1936, Judge Flannery showed that he was to be a distinguished member of this great body. The intensity of his convictions and the spirit with which he gave his best to every cause he ever championed will long be remembered by all of us who served with him.

Judge Flannery was elected to the common pleas court of Luzerne County on November 4, 1941. His years on the bench proved that he had an unlimited capacity for work. His people knew this and their respect for Harold was reflected this past May when they nominated him for a third term without opposition from either party.

I extend my deepest sympathy to his wife, his son, and his sister. They should find much happiness in knowing that J. Harold Flannery contributed much to making America a better place to live.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MOULDER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Communications and Power of the Interstate and Foreign Commerce Committee may be permitted to sit while the House is in session this afternoon.

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

Mr. HALLECK. Mr. Speaker, if I may reserve the right to object, and I do not

know that I shall object, but it is my understanding that the rather unwritten rule has been that permission to sit during sessions of the House should only be had during general debate. Of course, there will not be any general debate today. May I ask the gentleman if he cleared this with the minority Members?

Mr. MOULDER. Yes, the committee wishes to sit this afternoon in executive session to consider the bill on educational TV.

Mr. HALLECK. I withdraw my reservation of objection, Mr. Speaker, with this further suggestion. I think by and large it is not well to have the legislative committees meet when there is important business on the floor of the House where votes are apt to be had. I can understand the variation of the rule when there is general debate. I am not going to object this time, but I think, Mr. Speaker, we might have some discussion on that and arrive at some rule so that it would be better understood.

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

There was no objection.

LESS THAN HONORABLE DISCHARGES FOR MEMBERS OF THE MILITARY

Mr. DOYLE. 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. DOYLE. Mr. Speaker, I am pleased to advise the House that, finally, the Department of Defense after having the bill, H.R. 1935, before it since early February made a report to the Honorable CARL VINSON last Thursday. The gentleman from Georgia [Mr. VINSON] promptly sent me the report on Friday, which report contained substantially the same objections to the bill which they made to H.R. 88, the predecessor during the 86th Congress, to H.R. 1935 for the 87th Congress.

The bill, as you remember, dealt with the subject of less than honorable discharges for members of the military. The gentleman from Georgia [Mr. VINSON] last year wrote to the chairman of the Senate Committee on Armed Services on February 5, 1960, as follows:

> I know the position of the Department of Defense in connection with this legislation, but in spite of their opposition, which I think is rather ridiculous, I would consider it a personal favor, if you would let Mr. DOYLE appear before your committee to explain the purpose of this bill.

During the 86th Congress H.R. 88, the predecessor to H.R. 1935, passed the House unanimously on the Suspension of Rules Calendar. But, the distinguished chairman of the Committee on Armed Services of the U.S. Senate advised that it had reached his committee too late to arrange for hearings and consideration before congressional adjournment, and on July 20, 1959, I received from the distinguished chairman of the Committee on Armed Services of the Senate of the United States the following letter:

> DEAR CONGRESSMAN DOYLE: Permit me to acknowledge and thank you for your letter of July 14.
>
> I have been trying to clear away some of the pending committee business that reached us before H.R. 88 but I shall see that you are notified in order that you can be present whenever hearings can be scheduled on your bill.

Other Members have joined in introducing the bill, and we are going to process it as rapidly as we can. Some of my distinguished colleagues who have, in this 87th Congress already filed the identical text of H.R. 1935, or substantially the same are as follows: H.R. 2706, the gentlewoman from Pennsylvania [Mrs. GRANAHAN]; H.R. 3243, the gentleman from California [Mr. COHELAN]; H.R. 4364, the gentleman from California [Mr. MCFALL]; H.R. 2712, the gentleman from Pennsylvania [Mr. HOLLAND]; H.R. 2328, the gentleman from Washington [Mr. WESTLAND]; H.R. 709, the gentleman of Massachusetts [Mr. LANE]; H.R. 250, the gentleman from Illinois [Mr. LIBONATI]; H.R. 1279, the gentleman from New York [Mr. FARBSTEIN]; H.R. 1187, the gentleman from California [Mr. MCDONOUGH]; H.R. 3185, the gentleman from New York [Mr. ZELENKO]; H.R. 193, the gentleman from California [Mr. WILSON]; H.R. 2243, the gentleman from Florida [Mr. HERLONG]; H.R. 2241, the gentleman from New York [Mr. HEALEY]; H.R. 673, the gentleman from New York [Mr. GILBERT]; H.R. 2703, the gentleman from Pennsylvania [Mr. FULTON]; H.R. 2462, the gentleman from New York [Mr. CELLER]; and H.R. 1202, the gentleman from New York [Mr. MULTER].

Mr. Speaker, the foregoing list of bills indicates very clearly that this House is again determined to try to give many hundreds of deserving American lads at least a little chance to obtain humanitarian consideration for their errors and comparatively minor mistakes made while in the military.

Mr. Speaker, I wish to again emphasize the Doyle bill, H.R. 1935, and companion bills are not designed to apply to any former military man who was found to be of criminal intent, habits, tendencies, and design. But, I believe the record shows that there are thousands of men who have been in the past discharged administratively for far lesser reasons and causes than they should have been. It continues so.

And if I am asked for confirmation by the military itself of my statement often made that any type of discharge less than honorable continues as a severe setback and express limitation to any boy receiving such discharge, I herein set forth the text, quoted from page 2370 of the hearings before the special subcommittee on H.R. 1108 on Monday, June 24, 1957, and which previous bill, H.R. 1108, was a forerunner of H.R. 88 in the 86th Congress and now H.R. 1935 in this 87th Congress.

And, Mr. Speaker, the following quote appraises in exactly the same manner and weight as related to H.R. 1935 and companion bills as it did in relation to H.R. 1108:

> Mr. DOYLE. May I address a few questions to the Secretary?
>
> I think the subcommittee recognizes, or has been informed, prior to the time you came to the service, the very splendid service you rendered to our country. In your prior position you rendered a very distinguished service as juvenile judge in a juvenile court. Therefore, it seems to me that you bring to this discussion very fine experience. We are very glad to have that.
>
> May I ask a couple of questions? There is no question in your mind, then, Mr. Secretary, but that any discharge less than honorable does, as you said in your fine statement, and in your answers to question, leave the holder or the recipient thereof with a stigmatized condition? Is that true?
>
> Mr. JACKSON. That is correct, sir.
>
> Mr. DOYLE. Both as to the social standing in the community, and as to ready ability to obtain dignified and commensurate employment.
>
> Would you agree with me?
>
> Mr. JACKSON. Yes, sir.
>
> Mr. DOYLE. And, of course, in writing the bill which I did, after my study of a couple of years, I then learned that which you now state in agreement with me, only I then learned that there are thousands—I do not mean hundreds—I mean there are thousands, many thousands of former members of the military who have less than honorable discharges and who do not, therefore, have any reasonable opportunity to gain commensurate employment, and who are frowned upon in their own communities; not only they, Mr. Secretary, but I discovered their whole families were in many cases frowned upon by their neighbors because the boy, temporarily in the military services in thousands of cases, got less than an honorable discharge.
>
> Therefore, prefacing the next couple of questions I will ask you, I make that statement as a background because this subject of less than honorable discharges is not chickenfeed. It deals with thousands of boys who have been discharged and who have been handicapped by the stigma which you and I agree was a result of their type of discharge, and their families and their relatives in many cases are affected.
>
> Now I notice in your statement you refer to the fact that you are now further emphasizing the desire or willingness of the military to let a boy who has been back in civilian life for at least 2 years reenlist and try to earn an honorable discharge.
>
> Why do you make it a 2-year period? Why not 1 year, or why not 3 years? How do you fix the term of 2 years?
>
> Mr. JACKSON. We do not have any magic with respect to the period, I presume, any more than the committee has. I understand you fixed 3; we fixed 2. We do not quarrel particularly on that. I think we all agree that it should be a length of time sufficient to warrant a fairly sound conclusion as to the boy's adjustment.
>
> Mr. DOYLE. So in adopting a 2-year term, you did it because you felt that 2 years would be sufficient to prove acceptable conduct in civilian life?
>
> Mr. JACKSON. Coupled with the fact, of course, that there is also going to be his period of service, when he will prove his worthiness.
>
> Mr. DOYLE. So that if you choose 2 years as an acceptable term, coupled with that later service, our suggestion of 3 years would not be out of line?
>
> Mr. JACKSON. That is correct.

Mr. Speaker, I submit H.R. 1935 for the immediate information of the House, as

it hoped for early consideration and approval again:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 79 of title 10, United States Code, is amended as follows:

(1) Section 1552 is amended—

(A) by amending the first sentence of subsection (a) to read as follows: "Under uniform procedures prescribed by the Secretary of Defense, the Secretary of any military department, acting through boards of civilians of the executive part of that military department, may correct any military record of that department when he considers it necessary to correct any error or remove an injustice.";

(B) by adding the following new sentence at the end of subsection (a): "When it considers the case of any person discharged or dismissed, before or after the enactment of this sentence, from an armed force under conditions other than honorable, the board shall take into consideration the reasons for the type of that discharge or dismissal, including—

"(1) the conditions prevailing at the time of the incident, statement, attitude, or act which led to that discharge or dismissal;

"(2) the age of the person at the time of the incident, statement, attitude, or act which led to that discharge or dismissal;

(3) the normal punishment that might have been adjudged had that incident, statement, attitude, or act occurred or been made in civilian life; and

"(4) the moral turpitude, if any, involved in the incident, statement, attitude, or act which led to that discharge or dismissal."; and

(C) by adding the following new subsections at the end thereof:

"(g) In the case of any person discharged or dismissed, before or after the enactment of this subsection, from an armed force under conditions other than honorable, the board may, with the approval of the Secretary concerned, issue to that person an 'Exemplary Rehabilitation Certificate' dated as of the date it is issued, if, after considering the reasons for that discharge or dismissal, including those matters set forth in clauses (1)–(4) of subsection (a), it is established to the satisfaction of the board that he has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since he was so discharged or dismissed have been exemplary for a reasonable period of time, but not less than three years.

"(h) Applications and reapplications for correction of records under subsection (g) may be filed at any time, but not before three years after that discharge or dismissal.

"(i) For the purposes of subsection (g), oral or written evidence, or both, may be used, including—

"(1) a notarized statement from the chief law enforcement officer of the town, city, or county in which the applicant resides, attesting to his general reputation so far as police and court records are concerned;

"(2) a notarized statement from his employer, if employed, attesting to his general reputation and employment record;

"(3) notarized statements from not less than five persons, attesting that they have personally known him for at least three years as a person of good reputation and exemplary conduct, and the extent of personal contact they have had with him; and

"(4) such independent investigation as the board may make.

"(j) No benefits under any laws of the United States (including those relating to pensions, compensation, hospitalization, military pay and allowances, education, loan guarantees, retired pay, or other benefits based on military service) accrue to any person to whom an Exemplary Rehabilitation Certificate is issued under subsection (g) unless he would be entitled to those benefits under his original discharge or dismissal. Except as otherwise provided in this section or section 1553 of this title, no Exemplary Rehabilitation Certificate may be issued except under subsection (g), and after a specific finding by the board that it is issued under that subsection.

"(k) The Secretary of Defense for the military departments, and the Secretary of the Treasury for the Coast Guard when it is not operating as a service in the Navy, shall report to Congress not later than January 15 of each year the number of cases reviewed by each board under subsection (g), and the number of Exemplary Rehabilitation Certificates issued under that subsection."

(2) Section 1553 is amended to read as follows:

"§ 1553. Review of discharge or dismissal

"(a) The Secretary concerned shall, after consulting with the Administrator of Veterans' Affairs, establish boards of review, each consisting of five members, to review, under uniform procedures prescribed by the Secretary of Defense in the case of a military department, the discharge or dismissal of any former member of an armed force under the jurisdiction of his department upon its own motion or upon the request of such former member or, if he is dead, his surviving spouse, next of kind, or legal representative.

"(b) A board established under this section may, subject to review by the Secretary concerned, change a discharge or dismissal, or issue a new discharge, to reflect its findings.

"(c) A review by a board established under this section shall be based on the records of the armed force concerned and such other evidence as may be presented to the board, including those matters set forth in clauses (1)–(4) of section 1552(a) of this title. A witness may present evidence to such a board in person or by affidavit. A person who requests a review under this section may appear before such a board in person or by counsel or an accredited representative of an organization recognized by the Administrator of Veterans' Affairs under chapter 59 of title 38.

"(d) In the case of any person discharged or dismissed, before or after the enactment of this subsection, from an armed force under conditions other than honorable, the board may, with the approval of the Secretary concerned, issue to that person an 'Exemplary Rehabilitation Certificate' dated as of the date it is issued, if, after considering the reasons for that discharge or dismissal, including those matters set forth in clauses (1)–(4) of section 1552(a) of this title, it is established to the satisfaction of the board that he has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since he was so discharged or dismissed have been exemplary for a reasonable period of time, but not less than three years.

"(e) Applications and reapplications for correction of records under subsection (d) may be filed at any time, but not before three years after that discharge or dismissal.

"(f) For the purposes of subsection (d), oral or written evidence, or both, may be used, including those matters set forth in clauses (1)–(4) of section 1552(i) of this title.

"(g) No benefits under any laws of the United States (including those relating to pensions, compensation, hospitalization, military pay and allowances, education, loan guarantees, retired pay, or other benefits based on military service) accrue to any person to whom an Exemplary Rehabilitation Certificate is issued under subsection (d) unless he would be entitled to those benefits under his original discharge or dismissal. Except as otherwise provided in this section or section 1552 of this title, no Exemplary Rehabilitation Certificate may be issued except under subsection (d), and after a specific finding by the board that it is issued under that subsection.

"(h) The Secretary of Defense for the military departments, and the Secretary of the Treasury for the Coast Guard when it is not operating as a service in the Navy, shall report to Congress not later than January 15 of each year the number of cases reviewed by each board under subsection (d), and the number of Exemplary Rehabilitation Certificates issued under that subsection."

TRACTORS FOR CUBANS

Mr. MICHEL. 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 Illinois

There was no objection.

Mr. MICHEL. Mr. Speaker, ever since last Thursday, when I criticized in a special order on the floor of this House the "Tractors for Cubans" exchange, letters and telegrams have been pouring into my office in support of my position. My principal point during the course of those remarks was that the tractors being asked for were not designed for agricultural purposes but rather were 23-ton track-type caterpillar D–8's which were designed for everything but farming operations, and cost $30,000 or more each.

The last report of the negotiating committee which I read in the press suggests that the committee recognizes this and is now talking about 50 heavy duty track-type tractors and 450 general purpose tractors. I assume the latter are the traditional row-crop tractors which sell in the neighborhood of $4,500 to $5,000. These are not built by the Caterpillar Tractor Co., which Castro specified, and I predict Castro will refuse the offer of the committee for he knew precisely what he was asking for in the first instance—heavy duty machines to build up his defense establishment. If Castro accepts the general purpose tractors, we are talking about a considerably less sum of money to finance their purchase, and I raise the question of what the committee will do with the difference between $3 million, which is sufficient to purchase the smaller tractors and the originally requested $15 million for the larger ones. The smaller sum, however, does not in any way make it a more palatable deal for me. It is still outright blackmail, and there have already been indications that the North Vietnamese will be asking a price for any American-trained guerrillas captured in that area if the Castro deal is consummated.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1962

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

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

The Chair hears none and appoints the following conferees: Messrs. GARY, PASSMAN, CANNON, PILLION, and TABER.

REYNOLDS FEAL CORP., ET AL.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5178) for the relief of the Reynolds Feal Corp., New York, N.Y., and the Lydick Roofing Co., Fort Worth, Tex., with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 10, after "claims" insert: ": *Provided, however,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000".

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

JOHN NAPOLI

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1346) for the relief of John Napoli, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

(1) Page 1, line 7, after "claims" insert ", of any nature whatsoever,".

(2) Page 1, lines 8 and 9, strike out "for personal injuries, loss of and damage to his personal property, and other loss and damage" and insert "arising from or".

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill (H.R. 7446) and minority views.

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

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is the day for the calling of the Consent Calendar. The Clerk will call the first bill on the calendar.

DELAWARE RIVER BASIN COMPACT

The Clerk called the resolution (H.J. Res. 225) to grant the consent of Congress to the Delaware River Basin Compact and to enter into such compact on behalf of the United States, and for related purposes.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this joint resolution may be passed over without prejudice.

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

There was no objection.

AMENDING SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950

The Clerk called the bill (H.R. 5751) to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal, and for other purposes.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the present consideration of the bill?

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

AMENDING THE GENERAL BRIDGE ACT OF 1946

The Clerk called the bill (H.R. 5963) to amend the General Bridge Act of 1946 with respect to the vertical clearance of bridges to be constructed across the Mississippi River.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

SUITS AGAINST MINERAL ENTRIES IN ALASKA

The Clerk called the bill (H.R. 2924) to repeal an act entitled "An act extending the time in which to file adverse claims and institute adverse suits against mineral entries in the district of Alaska," approved June 7, 1910 (36 Stat. 459).

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 entitled "An Act extending the time in which to file adverse claims and institute adverse suits against mineral entries in the district of Alaska", approved June 7, 1910 (36 Stat. 459), is hereby repealed.

With the following committee amendment: "Page 1, after line 6, add a new section to read as follows:

"SEC. 2. This Act shall not be applicable to adverse claims on applications for patents filed prior to the effective date of this Act, but the 8-month period heretofore provided for such claims and the 60-day period heretofore provided for adverse suits shall continue in effect with respect thereto."

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.

EXPANSION OF FUNCTIONS OF THE COAST GUARD

The Clerk called the bill (H.R. 6845) to amend title 14 of the United States Code to provide for an expansion of the functions of the Coast Guard.

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 2 of title 14, United States Code, is amended by inserting the words "shall engage in oceanographic research on the high seas and in waters subject to the jurisdiction of the United States;" before the last clause of this section which reads "and shall maintain a state of readiness to function as a specialized service in the Navy in time of war."

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.

RELIEF FOR CERTAIN ENLISTED MEN OF THE AIR FORCE

The Clerk called the bill (H.R. 2750) to provide for the relief of certain enlisted members of the Air Force.

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 payments of basic allowance for subsistence heretofore made to enlisted members of the Air Force who were assigned to Headquarters, Air Research and Development Command, at Baltimore, Maryland, during the period beginning on July 1, 1955, and ending on June 30, 1958, and which are otherwise correct, are validated to the extent that those allowances were paid, because the military commander concerned determined that no Government mess was available to those enlisted members under regulations prescribed under section 301 of the Career Compensation Act of 1949, as amended (37 U.S.C. 251). Any enlisted member who has made a repayment to the United States of

the amount so paid to him as a basic allowance for subsistence is entitled to be paid the amount involved, if otherwise proper.

SEC. 2. The Comptroller General of the United States or his designee, shall relieve disbursing officers, including special disbursing agents, of the Army, Navy, and Air Force 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 or agents for payments which are found to be free from fraud and collusion.

SEC. 3. Appropriations available to the Department of the Air Force for the pay and allowances of military personnel are available for payments under this Act.

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.

NATIONAL AMERICAN GUILD OF VARIETY ARTISTS WEEK

The Clerk called Senate joint resolution (S.J. Res. 34) designating the week of October 9–15, 1961, as National American Guild of Variety Artists Week.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Whereas for many years performers and artists in the variety field have circled the globe with their hearts and talents to bring entertainment and joy to all places and under all conditions; and

Whereas performers and artists in the variety field have unstintingly given of their services to the American people in behalf of every cause regardless of race, creed, or color: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 9–15, 1961, be designated as National American Guild of Variety Artists Week, in recognition of the outstanding services of performers and artists in the variety field to the American people.

The Senate joint resolution 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.

DESIGNATING POLICE WEEK AND PEACE OFFICERS MEMORIAL DAY

The Clerk called Senate joint resolution (S.J. Res. 65) designating the week of May 20 1961, as Police Week and designating May 15, 1961, as Peace Officers Memorial Day.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 14–20, 1961, is hereby designated as Police Week, in recognition of the contribution the police officers of America have made to our civilization through their dedicated and selfless efforts in enforcing the laws of our cities, counties, and States and of the United States regardless of the peril or hazard to themselves, and May 15th is hereby designated as Peace Officers Memorial Day in honor of the Federal, State, and municipal peace officers who have been killed or disabled in line of duty. Through their enforcement of our laws our country has internal freedom from fear of the violence and civil disorders that is presently affecting other nations.

To this end the President is authorized and requested to issue a proclamation inviting the people of the United States to observe such period, with appropriate ceremonies and activities, as a tribute to the men and women who, night and day, stand guard in our midst to protect us through enforcement of our laws, and to honor those who have lost their lives in service to the community.

With the following committee amendments:

Page 1, line 3, strike "May 14–20, 1961" and insert in lieu thereof "May 13–19, 1962".

Page 1, line 8, strike "15th" and insert in lieu thereof "14th".

The committee amendments were agreed to.

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

The title was amended to read as follows: "Joint resolution designating the week of May 13–19, 1962, as Police Week and designating May 14, 1962, as Peace Officers Memorial Day.

A motion to reconsider was laid on the table.

STATUS OF CIRCUIT AND DISTRICT JUDGES RETIRED FROM REGULAR ACTIVE SERVICE

The Clerk called the bill (H.R. 5255) to clarify the status of circuit and district judges retired from regular active service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask a question or two concerning this bill.

This is limited to rehearing cases where retired Federal judges are sent back?

Mr. CELLER. That is correct. The judge sat on the original case and he was unable to sit on the rehearing of the case on appeal en banc.

Mr. GROSS. May I ask the gentleman what is meant by the phrase "en banc"?

Mr. CELLER. Circuit courts sometimes consist of five judges. When you say "en banc," the five judges sit.

Mr. GROSS. I thank the gentleman.

The SPEAKER pro tempore. 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 (a) paragraph (b) of section 43 of title 28, United States Code, is amended to read as follows:

"(b) Each court of appeals shall consist of the circuit judges of the circuit in regular active service. The circuit justice and justices or judges designated or assigned shall also be competent to sit as judges of the court."

(b) Paragraph (c) of section 46 of title 28, United States Code, is amended to read as follows:

"(c) Cases and controversies shall be heard and determined by a court or division of not more than three judges, unless a hearing or rehearing before the court in banc is ordered by a majority of the circuit judges of the circuit who are in regular active service. A court in banc shall consist of all circuit judges in regular active service. A circuit judge of the circuit who has retired from regular active service shall also be competent to sit as a judge of the court in banc in the rehearing of a case or controversy if he sat in the court or division at the original hearing thereof."

SEC. 2. Paragraph (b) of section 132 of title 28, United States Code, is amended to read as follows:

"(b) Each district court shall consist of the district judge or judges for the district in regular active service. Justices or judges designated or assigned shall be competent to sit as judges of the court."

SEC. 3. The first sentence of section 332 of title 28, United States Code, is amended to read as follows: "The chief judge of each circuit shall call, at least twice in each year and at such places as he may designate, a council of the circuit judges for the circuit, in regular active service, at which he shall preside."

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.

WRIGHT BROTHERS DAY

The Clerk called House Joint Resolution 109 designating the 17th day of December in each year as "Wright Brothers Day."

There being no objection, the Clerk read the House joint resolution as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the 17th day of December in each year is hereby designated as "Wright Brothers Day", in commemoration of the first successful flights in a heavier-than-air, mechanically propelled airplane, which were made by Orville and Wilbur Wright on December 17, 1903, near Kitty Hawk, North Carolina. The President is authorized and requested to issue annually a proclamation inviting the people of the United States to observe such day with appropriate ceremonies and activities.

With the following committee amendments:

Page 1, line 3, strike the words "in each year" and insert in lieu thereof ", 1961".

Page 1, line 9, strike the word "annually".

The committee amendments were agreed to.

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

The title was amended to read as follows: "Joint resolution designating the 17th day of December 1961, as 'Wright Brothers Day'."

A motion to reconsider was laid on the table.

AMENDING THE INDIAN CLAIMS COMMISSION ACT

The Clerk called the bill (H.R. 4109) to terminate the existence of the Indian Claims Commission, 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 section 23 of the Indian Claims Commission Act approved August 13, 1946 (60 Stat. 1049,

1055; 25 U.S.C. sec. 70v), is hereby amended to read as follows:

"SEC. 23. The existence of the Commission shall terminate at the end of ten years from and after April 10, 1962, or at such earlier time as the Commission shall have made its final report to the Congress on all claims filed with it. Upon the dissolution the records of the Commission shall be delivered to the Archivist of the United States."

With the following committee amendments:

Page 1, line 7, strike out "ten" and insert in lieu thereof "five".

Page 1, line 10, strike out "the" and insert in lieu thereof the word "its".

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.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 751) to amend the Indian Claims Commission Act, which is a similar bill to the one the House just passed.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 23 of the Indian Claims Commission Act approved August 13, 1946 (60 Stat. 1049, 1055; U.S.C. sec. 70v), as amended by the Act of July 24, 1956 (70 Stat. 624), is hereby amended to read as follows:

"SEC. 23. The existence of the Commission shall terminate at the end of ten years from and after April 10, 1957, or at such earlier time as the Commission shall have made its final report to the Congress on all claims filed with it. Upon its dissolution the records of the Commission shall be delivered to the Archivist of the United States."

SEC. 2. Section 4 of said Act is amended by inserting after "such other employees" the phrase ", including hearing examiners,".

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 and insert the following: "That section 23 of the Indian Claims Commission Act approved August 13, 1946 (60 Stat. 1049, 1055; 25 U.S.C. sec. 70v), is hereby amended to read as follows:

"'SEC. 23. The existence of the Commission shall terminate at the end of five years from and after April 10, 1962, or at such earlier time as the Commission shall have made its final report to the Congress on all claims filed with it. Upon its dissolution the records of the Commission shall be delivered to the Archivist of the United States.'"

The amendment was agreed to.

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

The SPEAKER pro tempore. Without objection, the title will be amended to conform with the action just taken by the House.

There was no objection.

A similar House bill (H.R. 4109) was laid on the table.

A motion to reconsider was laid on the table.

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

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I am glad to see this unanimous endorsement by the House of the great work being done by the Indian Claims Commission. No Federal agency in two centuries has done more to right old injustices and to redeem the honor of the United States than this Commission.

While I believe a longer extension of time would be justified, and would like to see the Commission enlarged in view of the great scope of its responsibilities, I understand and appreciate the committee's thinking on these subjects.

I trust the bill will speedily be signed into law in order that the Commission may go forward with its great work.

CHANGING THE NAME OF THE ARMY AND NAVY LEGION OF VALOR OF THE UNITED STATES OF AMERICA, INC.

The Clerk called the bill (S. 847) to change the name of the Army and Navy Legion of Valor of the United States of America, Inc.

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 corporation known as the Army and Navy Legion of Valor of the United States of America, Incorporated, which was incorporated by the Act entitled "An Act to incorporate the Army and Navy Legion of Valor of the United States of America", approved August 4, 1955 (69 Stat. 486), shall be known and designated hereafter as the Legion of Valor of the United States of America, Incorporated, and any reference to such corporation under the name of the Army and Navy Legion of Valor of the United States of America, Incorporated, shall be held to refer to such corporation under and by the name of the Legion of Valor of the United States of America, Incorporated.

With the following committee amendment:

At the end of the bill insert the following new section:

"SEC. 2. That sections 3(b) and 6(a) of the Act of August 4, 1955 (69 Stat. 486) are amended by inserting after the words 'Distinguished Service Cross,' the phrase 'Air Force Cross,'."

The committee amendment was agreed to.

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

The title was amended to read: "A bill to change the name of the Army and Navy Legion of Valor of the United States of America, Incorporated, and for other purposes."

A motion to reconsider was laid on the table.

AUTHORIZING THE CONSTRUCTION OF COMMUNITY SUPPORT FACILITIES AT LOS ALAMOS COUNTY, N. MEX.

The Clerk called the bill (H.R. 7209) to authorize construction of community support facilities at Los Alamos County, N. Mex.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to substitute the bill S. 1941, an identical bill to the House bill.

The Clerk read the title of the Senate bill.

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

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Atomic Energy Commission is authorized with funds presently available or otherwise made available to it to construct (under the applicable provisions of chapter 14 of the Atomic Energy Act of 1954, as amended) community support facilities at White Rock, Los Alamos County, New Mexico, at a total cost not to exceed $300,000, and for that purpose there is authorized to be appropriated such sums as may be necessary.

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

A similar House bill (H.R. 7209) was laid on the table.

A motion to reconsider was laid on the table.

ARIZONA-NEVADA BOUNDARY COMPACT

The Clerk called the bill (S. 133) giving the consent of Congress to a compact between the State of Arizona and the State of Nevada establishing a boundary between those States.

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 consent of Congress is hereby given to the compact between the States of Arizona and Nevada as contained in chapter 69, law of the State of Arizona, 1960 (senate bill numbered 203, twenty-fourth legislature assembled, approved by the Governor March 24, 1960), and chapter 119, Nevada Revised Statutes 1960 (senate bill numbered 121, passed by the 1960 legislature of the State of Nevada and approved by the Governor March 9, 1960) establishing a boundary between the States of Arizona and Nevada on the Colorado River between the point where the Nevada-California State line intersects the thirty-fifth degree of latitude north and Davis Dam.

SEC. 2. The right to alter, amend, or repeal this Act is expressly reserved.

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.

PROVIDING PROTECTION FOR THE VICE PRESIDENT

The Clerk call the bill (H.R. 6691) to amend title 18, United States Code, sections 871 and 3056, to provide penalties for threats against the successors to the Presidency, to authorize their protection by the Secret Service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like some information concerning this bill. I am unable to understand why it is necessary, since it is my understanding that the Vice President of the United States can obtain Secret Service protection at any time he desires; is that not correct

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

Mr. GROSS. Yes; I yield to the gentleman.

Mr. FORRESTER. That is correct. But, the purpose is to cure that very thing, because it is simply embarrassing for the Vice President to have to ask for that protection. You notice that this request comes down from the White House asking that this protection be granted in a permanent way.

Mr. GROSS. Let me ask the gentleman why it is embarrassing for the Vice President to ask for protection if he needs it? The preceding Vice President had Secret Service protection. I have seen the Secret Service with him time after time in the Capitol Building corridors.

Mr. FORRESTER. Very candidly, the gentleman from Georgia is of the opinion that the Vice Presidency is such a high office that actually this protection should be granted to him without him having to make a request for that protection.

Mr. GROSS. But this bill goes further and provides protection for a former President after he leaves office, does it not?

Mr. FORRESTER. Yes, it does.

Mr. GROSS. What is the reason for that?

Mr. FORRESTER. Well, the reason for that is, as is set out in the communication from the White House, that there are some threats that are made against the President shortly after he leaves office. Now, it does not say so point blank that some threats have been made, but probably we have a right to assume there have been. This does not protect the property but simply the person.

Mr. GROSS. Let me ask the gentleman this question. I have seen in the newspapers stories about people trespassing on former President Eisenhower's farm near Gettysburg; people coming onto the premises. Now, if you are going to station Secret Service agents on the farm they will also be guarding the property of the former President. Their presence there indicates that, does it not?

Mr. FORRESTER. No. I will say to the gentleman that I saw that same criticism.

Mr. GROSS. Well, now, if tourists come on the farm and the Secret Service agents see them coming onto the farm, they will immediately inquire into their business and send them on their way if uninvited.

Mr. FORRESTER. No. If the gentleman will let me say this, I saw that criticism. I went into it. I was the one who conducted the hearings in the subcommittee on this particular bill. Now, No. 1, he does not have this protection unless he particularly asks for it. I do not think he would ask for it unless he had an idea that he had a good reason for asking for it. But, it is to be restricted purely to the person and not to the property at any time.

Mr. GROSS. It is my opinion that the State of Pennsylvania and the county of Pennsylvania in which the former President lives has the responsibility to protect the property of the President as they do any other farmer or any other citizen of that county, and I am not going to see a bill passed here which in effect provides that the Federal Government, all the taxpayers, provide that protection. After all, former President Eisenhower is not a pauper, and there are other farmers up there who have property to protect. I am not going to approve today the foot in the door that this bill proposes; moreover, I want more time to look it over.

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.

AMENDING FEDERAL YOUTH CORRECTIONS ACT

The Clerk called the bill (H.R. 5343) to amend section 5021 of title 18, United States Code.

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 5021 of title 18, United States Code, is amended to read as follows:

"§ 5021. Certificate setting aside conviction

"(a) Upon the unconditional discharge by the divison of a committed youth offender before the expiration of the maximum sentence imposed upon him, the conviction shall be automatically set aside and the division shall issue to the youth offender a certificate to that effect.

"(b) Where a youth offender has been placed on probation by the court, the court may thereafter, in its discretion, unconditionally discharge such youth offender from probation prior to the expiration of the maximum period of probation theretofore fixed by the court, which discharge shall automatically set aside the conviction, and the court shall issue to the youth offender a certificate to that effect."

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.

TO PERMIT GUAM TO ENTER INTERSTATE CRIMINAL LAW COMPACTS

The Clerk called the bill (H.R. 6243) extending to Guam the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States.

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 (b) of section 111 of title 4 of the United States Code is amended by inserting after the name "the Virgin Islands," the name "Guam".

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.

FALSE BOMB INFORMATION

The Clerk called the bill (H.R. 6834) to amend section 35 of title 18, United States Code.

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 5 of title 18, United States Code, is amended to read as follows:

"§ 35. Imparting or conveying false information

"(a) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this chapter or chapter 97 or chapter 111 of this title shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"(b) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this chapter or chapter 97 or chapter 111 of this title—shall be fined not more than $5,000, or imprisoned not more than five years, or both."

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 SPEAKER. That concludes the eligible bills on the calendar.

CLEARANCE OF BRIDGES ACROSS THE MISSISSIPPI RIVER

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent to return to Calendar No. 80, H.R. 5963.

The Clerk read the title of the bill.

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

Mr. VAN ZANDT. Mr. Speaker, reserving the right to object, I should like to know why we should return to the bill H.R. 5963.

Mr. SMITH of Mississippi. In order that the objection might be clarified.

Mr. VAN ZANDT. It was my intention to object on the ground that I think this bill should be brought up under a rule, so that the House will understand that we would be establishing another inequity to railroad transportation of this country.

Mr. Speaker, I object.

SELF-EMPLOYED INDIVIDUALS TAX RETIREMENT ACT OF 1961

Mr. KEOGH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, with committee amendments as printed in the bill as reported.

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 this Act may be cited as the "Self-Employed Individuals Tax Retirement Act of 1961".

SEC. 2. QUALIFICATION OF PLANS.

Section 401 of the Internal Revenue Code of 1954 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended—

(1) by adding at the end of paragraph (5) of subsection (a) the following new sentence: "For purposes of this paragraph and subsection (d)(5), the total compensation of an individual who is a self-employed individual (as defined in subsection (c)(2)) is such individual's self-employment earnings (as defined in subsection (c)(3)) and the basic or regular rate of compensation of such an individual shall be determined, under regulations prescribed by the Secretary or his delegate, with respect to that portion of his self-employment earnings which bears the same ratio to his self-employment earnings as the basic or regular compensation of the employees (other than self-employed individuals) under the plan bears to the total compensation of such employees.";

(2) by adding at the end of subsection (a) the following new paragraphs:

"(7) A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that, upon its termination or upon complete discontinuance of contributions under the plan, the rights of all employees to benefits accrued to the date of such termination or discontinuance, to the extent then funded, or the amounts credited to the employees' accounts, are nonforfeitable. This paragraph shall not apply to benefits or contributions which, under provisions of the plan adopted pursuant to regulations prescribed by the Secretary or his delegate to preclude the discrimination prohibited by paragraph (4), may not be used for designated employees in the event of early termination of the plan.

"(8) A trust shall not constitute a qualified trust under this section unless, under the plan of which such trust is a part, the entire interest of each employee—

"(A) either will be distributed to him not later than his taxable year in which he attains the age of 70½ years, or, in the case of an employee other than an owner-employee (as defined in subsection (c)(4)), in which he retires, whichever is the later, or

"(B) will be distributed, commencing not later than such taxable year, (i) in accordance with regulations prescribed by the Secretary or his delegate, over the life of such employee or over the lives of such employee and his spouse, or (ii) in accordance with such regulations, over a period not extending beyond the life expectancy of such employee or the life expectancy of such employee and his spouse.

"(9) A trust forming part of a pension plan shall not constitute a qualified trust under this section unless the plan provides that forfeitures must not be applied to increase the benefits any employee would otherwise receive under the plan.

"(10) If—

"(A)(i) on one day in each quarter in the taxable year of the plan, an employer has more than 3 employees, or

"(ii) this paragraph applied at any prior time in respect of such plan, and

"(B) the plan provides for current or future contributions for any owner-employee, then the trust shall be a qualified trust under this section only if each employee having a period of employment of 3 years or more is included under the plan. For purposes of the preceding sentence, (i) the term 'employee' does not include any employee whose customary employment is for not more than 20 hours in any one week or is for not more than 5 months in any calendar year, nor does such term include an owner-employee, and (ii) in the case of a partner who is not an owner-employee, the period of time during which he has been such a partner shall be included in his period of employment.

"(11) If paragraph (10) does not apply and the plan benefits owner-employees, then the determination as to whether a trust is a qualified trust shall be made under this section—

"(A) if such plan benefits only owner-employees, without regard to the fact that such plan does not benefit employees other than owner-employees; and

"(B) if such plan also benefits employees other than owner-employees—

"(i) with respect to the portion of the plan which benefits employees other than owner-employees, without reference to the portion of the plan which benefits owner-employees, and

"(ii) with respect to the portion of the plan which benefits owner-employees, without reference to the portion of the plan which benefits employees other than owner-employees.

"(12) A trust forming part of a plan which provides contributions or benefits for employees some or all of whom are owner-employees (as defined in subsection (c)(4)) shall constitute a qualified trust under this section only if the requirements in subsection (d) are also met."; and

(3) by redesignating subsection (c) as subsection (h) and inserting after subsection (b) the following new subsections:

"(c) DEFINITIONS AND RULES RELATING TO SELF-EMPLOYED INDIVIDUALS AND OWNER-EMPLOYEES.—For purposes of this section—

"(1) EMPLOYEE.—The term 'employee' includes, for any taxable year, a self-employed individual.

"(2) SELF-EMPLOYED INDIVIDUAL.—The term 'self-employed individual' means an individual who has self-employment earnings (as defined in paragraph (3)) for the taxable year.

"(3) SELF-EMPLOYMENT EARNINGS.—The term 'self-employment earnings' means net earnings from self-employment (as defined in section 1402(a)) determined—

"(A) without regard to paragraphs (4) and (5) of section 1402(c),

"(B) in the case of any individual who is treated as an employee under section 3121(d)(3) (A), (C), or (D), without regard to paragraph (2) of section 1402(c), and

"(C) without regard to items which are not included in gross income for purposes of this chapter, and the deductions properly allocable to or chargeable against such items.

"(4) OWNER-EMPLOYEE.—The term 'owner-employee' means a self-employed individual who—

"(A) derives self-employment earnings from a trade or business carried on by him, or

"(B) in the case of a partnership, is a partner who owns more than 10 percent of either the capital interest or the profits interest in such partnership.

"(5) EMPLOYER.—In the case of a trade or business carried on by a self-employed individual, such individual shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (1).

"(d) ADDITIONAL REQUIREMENTS FOR QUALIFICATION OF TRUSTS AND PLANS BENEFITING OWNER-EMPLOYEES.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the following requirements of this subsection are met by the trust and by the plan of which such trust is a part:

"(1) In the case of a trust which is created on or after the date of the enactment of this subsection, or which was created before such date but is not exempt from tax under section 501(a) as an organization described in subsection (a) on the day before such date, the trustee is a bank, but a person (including the employer) other than a bank may be granted, under the trust instrument, the power to control the investment of the trust funds either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, and exchanges). This paragraph shall not apply to a trust created or organized outside the United States before the date of the enactment of this subsection if, under section 402(c), it is treated as exempt from taxation under section 501(a) on the day before such date. For purposes of this paragraph, the term 'bank' means—

"(A) a bank as defined in section 581,

"(B) a corporation which under the laws of the State of its incorporation is subject to supervision and examination by the commissioner of banking or other officer of such State in charge of the administration of the banking laws of such State, and

"(C) in the case of a trust created or organized outside the United States, a bank or trust company, wherever incorporated, exercising fiduciary powers and subject to supervision and examination by governmental authority.

"(2) Under the plan, no benefits may be paid to any owner-employee before he attains the age of 59½ years, except in the case of his becoming disabled (within the meaning of section 213(g)(3)).

"(3) If subsection (a)(10) applies, the employees' rights to or derived from the contributions under the plan are nonforfeitable at the time the contributions are paid to or under the plan.

"(4) In the case of a profit-sharing plan, the plan provides a definite formula for determining the contributions to be made to the trust by the employer on behalf of employees (other than owner-employees).

"(5) If subsection (a)(10) applies, the plan does not permit the ratio of contributions by the employer for any owner-employee to such owner-employee's compensation to exceed the ratio of contributions by the employer for any employee (other than an owner-employee) to his compensation. For purposes of this paragraph—

"(A) The term 'compensation' means total compensation, or basic or regular rate of compensation, whichever may be specified in the plan.

"(B) If—

"(i) of the contributions deductible under section 404, not more than one-third is deductible by reason of contributions by the employer for owner-employees, and

"(ii) taxes paid by the owner-employee under chapter 2 (relating to tax on self-employment income), and the taxes which would be payable under such chapter 2 by the owner-employee but for paragraphs (4) and (5) of section 1402(c), are taken into account as contributions by the employer for such owner-employee,

then taxes paid under section 3111 (relating to tax on employers) with respect to an employee may be taken into account as con-

tributions by the employer for such employee under the plan.

"(6) The plan does not permit—

"(A) contributions to be made by the employer for any owner-employee in excess of the amounts which may be deducted under section 404 for the taxable year;

"(B) in the case of a plan (or, if subsection (a)(11) applies, the portion thereof) which provides contributions or benefits only for owner-employees, contributions by or for any owner-employee in excess of the amounts which may be deducted under section 404 for the taxable year; and

"(C) if a distribution under the plan is made to any employee and if any portion of such distribution is an amount described in section 72(m)(5)(A)(i) contributions to be made on behalf of such employee for the 5 taxable years succeeding the taxable year in which such distribution is made.

"(7) Under the plan, if an owner-employee dies before his entire interest has been distributed to him, or if distribution has been commenced in accordance with subsection (a)(8)(B) to his surviving spouse and such surviving spouse dies before his entire interest has been distributed to her, his entire interest (or the remaining part of such interest if distribution thereof has commenced) will, within 5 years after his death (or the death of his surviving spouse), be distributed, or applied to the purchase of an immediate annuity for his beneficiary or beneficiaries (or the beneficiary or beneficiaries of his surviving spouse) which will be payable for the life of such beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of such beneficiary or beneficiaries) and which will be immediately distributed to such beneficiary or beneficiaries.

"(8) Under the plan—

"(A) any contribution which is an excess contribution (as defined in subsection (e)(1)), together with the income attributable to such excess contribution, is (unless subsection (e)(2)(E) applies) to be repaid to the owner-employee by or for whom such excess contribution is made;

"(B) if for any taxable year the plan does not, by reason of subsection (e)(2)(A), meet (for purposes of section 404) the requirements of this subsection with respect to an owner-employee, the income for the taxable year attributable to the interest of such owner-employee under the plan is to be paid to such owner-employee; and

"(C) the entire interest of an owner-employee is to be repaid to him when required by the provisions of subsection (e)(2)(E).

"(9)(A) If the plan provides contributions or benefits for an owner-employee who controls, or for two or more owner-employees who together control, the trade or business with respect to which the plan is established, and who also control as an owner-employee or as owner-employees one or more other trades or business, such plan and the plans (if any) established with respect to such other trades or businesses constitute a plan which meets the requirements of paragraphs (3) and (4), and paragraph (10) or (11) (as the case may be), of subsection (a) with respect to the employees of all such trades or businesses (including the trade or business with respect to which the plan intended to qualify under this section is established).

"(B) For purposes of subparagraph (A), an owner-employee, or two or more owner-employees, shall be considered to control a trade or business if such owner-employee, or such two or more owner-employees together—

"(i) own the entire interest in an unincorporated trade or business, or

"(ii) in the case of a partnership, own more than 50 percent of either the capital interest or the profits interest in such partnership.

For purposes of the preceding sentence, an owner-employee, or two or more owner-employees, shall be treated as owning any interest in a partnership which is owned, directly or indirectly, by a partnership which such owner-employee, or such two or more owner-employees, are considered to control within the meaning of the preceding sentence.

"(10) Under the plan, contributions by or for any owner-employee may be made only with respect to the self-employment earnings of such owner-employee derived from the trade or business with respect to which such plan is established.

"(e) EXCESS CONTRIBUTIONS ON BEHALF OF OWNER-EMPLOYEES.—

"(1) EXCESS CONTRIBUTION DEFINED.—For purposes of this section, the term 'excess contribution' means—

"(A) if, in the taxable year, contributions are made under the plan (or, if subsection (a)(11) applies, under the portion of the plan) only by or for owner-employees, the amount of any contribution made by or for any owner-employee which (without regard to this subsection) is not deductible under section 404 for the taxable year; or

"(B) if subparagraph (A) does not apply—

"(i) the amount of any contribution made by the employer for any owner-employee which (without regard to this subsection) is not deductible under section 404 for the taxable year;

"(ii) the amount of any contribution made by any owner-employee (as an employee) at a rate which exceeds the rate of contributions permitted to be made by employees other than owner-employees; and

"(iii) the amount of any contribution made under the plan by any owner-employee (as an employee) which exceeds the lesser of $2,500 or 10 percent of the self-employment earnings for such taxable year derived by such owner-employee from the trade or business (or trades and businesses) with respect to which the plan is established; and

"(C) the amount of any contribution made by or for an owner-employee in any taxable year for which, under paragraph (2)(A) or (E), the plan does not (for purposes of section 404) meet the requirements of subsection (d) with respect to such owner-employee.

For purposes of this subsection, the amount of any contribution which is allocable (determined in accordance with regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance shall not be taken into account.

"(2) EFFECT OF EXCESS CONTRIBUTION.—

"(A) IN GENERAL.—If an excess contribution (other than an excess contribution to which subparagraph (E) applies) is made by or for an owner-employee in any taxable year, the plan with respect to which such excess contribution is made shall, except as provided in subparagraphs (C) and (D), be considered, for purposes of section 404, as not meeting the requirements of subsection (d) with respect to such owner-employee for the taxable year and for all succeeding taxable years.

"(B) INCLUSION OF AMOUNTS IN GROSS INCOME OF OWNER-EMPLOYEES.—For any taxable year for which any plan does not meet the requirements of subsection (d) with respect to an owner-employee by reason of subparagraph (A), the gross income of such owner-employee shall, for purposes of this chapter, include the amount of income for such taxable year attributable to the interest of such owner-employee under such plan.

"(C) REPAYMENT WITHIN PRESCRIBED PERIOD.—Subparagraph (A) shall not apply to an excess contribution with respect to any taxable year, if on or before the close of the 6-month period beginning on the day on which the Secretary or his delegate sends notice (by certified or registered mail) to the person to whom such excess contribution was paid of the amount of such excess contribution, the amount of such excess contribution, and the income attributable thereto, is repaid to the owner-employee by or for whom such excess contribution was made. If the excess contribution is an excess contribution as defined in paragraph (1)(A) or (B)(i), or is an excess contribution as defined in paragraph (1)(C) with respect to which a deduction has been claimed under section 404, the notice required by the preceding sentence shall not be mailed prior to the time that the amount of the tax under this chapter of such owner-employee for the taxable year in which such excess contribution was made has been finally determined.

"(D) REPAYMENT AFTER PRESCRIBED PERIOD.—If an excess contribution, together with the income attributable thereto, is not repaid within the 6-month period referred to in subparagraph (C), subparagraph (A) shall not apply to an excess contribution with respect to any taxable year beginning with the taxable year in which the person to whom such excess contribution was paid repays the amount of such excess contribution to the owner-employee by or for whom such excess contribution was made, and pays to such owner-employee the amount of income attributable to the interest of such owner-employee which, under subparagraph (B), has been included in the gross income of such owner-employee for any prior taxable year.

"(E) SPECIAL RULE IF EXCESS CONTRIBUTION WAS WILLFULLY MADE.—If an excess contribution made by or for an owner-employee is determined to have been willfully made, then—

"(i) subparagraphs (A), (B), (C), and (D) shall not apply with respect to such excess contribution;

"(ii) there shall be distributed to the owner-employee by or for whom such excess contribution was willfully made his entire interest in all plans with respect to which he is an owner-employee; and

"(iii) no plan shall, for purposes of section 404, be considered as meeting the requirements of subsection (d) with respect to such owner-employee for the taxable year in which it is determined that such excess contribution was willfully made and for the 5 taxable years following such taxable year.

"(F) STATUTE OF LIMITATIONS.—In any case in which subparagraph (A) applies, the period for assessing any deficiency arising by reason of—

"(i) the disallowance of any deduction under section 404 on account of a plan not meeting the requirements of subsection (d) with respect to the owner-employee by or for whom an excess contribution was made, or

"(ii) the inclusion, under subparagraph (B), in gross income of such owner-employee of income attributable to the interest of such owner-employee under a plan,

for the taxable year in which such excess contribution was made or for any succeeding taxable year shall not expire prior to one year after the close of the 6-month period referred to in subparagraph (C).

"(f) CERTAIN CUSTODIAL ACCOUNTS.—

"(1) TREATMENT AS QUALIFIED TRUST.—For purposes of this title, a custodial account shall be treated as a qualified trust under this section, if—

"(A) such custodial account would, except for the fact that it is not a trust, constitute a qualified trust under this section;

"(B) the custodian is a bank (as defined in section 581);

"(C) the investment of the funds in such account (including all earnings) is to be made solely in regulated investment company stock with respect to which an employee is the beneficial owner; and

"(D) the shareholder of record of any such stock is the custodian or its nominee.

For purposes of this title, in the case of a custodial account treated as a qualified trust under this section by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(2) DEFINITION.—For purposes of paragraph (1), the term 'regulated investment company' means a domestic corporation which—

"(A) is a regulated investment company within the meaning of section 851(a), and

"(B) issues only redeemable stock.

"(g) FACE-AMOUNT CERTIFICATES TREATED AS ANNUITIES.—For purposes of this section and sections 402, 403, and 404, the term 'annuity' includes a face-amount certificate, as defined in section 2(a)(15) of the Investment Company Act of 1940 (15 U.S.C., sec. 80a-2), which is nontransferable."

SEC. 3. DEDUCTIBILITY OF CONTRIBUTIONS TO PLANS

(a) INCLUSION OF SELF-EMPLOYED INDIVIDUALS.—Section 404(a) of the Internal Revenue Code of 1954 (relating to the deductibility of contributions to pension, annuity, profit-sharing, or stock bonus plans or plans of deferred compensation) is amended—

(1) by striking out "section 401(a) (3), (4), (5), and (6)," in paragraph (2) and inserting in lieu thereof "section 401(a) (other than paragraphs (1), (2), and (12)) and, in the case of a plan described in paragraph (9) of this subsection, which meets the requirements of section 401(d) (other than paragraphs (1) and (4)),"; and

(2) by adding after paragraph (7) the following new paragraphs:

"(8) SELF-EMPLOYED INDIVIDUALS.—In the case of a plan included in paragraph (1), (2), or (3) which provides contributions or benefits for self-employed individuals within the meaning of section 401(c)(2), for purposes of this section—

"(A) the term 'employee' includes a self-employed individual within the meaning of section 401(c)(2), and the employer of such individual is the person treated as his employer under section 401(c)(5);

"(B) the term 'self-employment earnings' has the meaning assigned to it by section 401(c)(3);

"(C) the contributions to such plan by or for a self-employed individual shall be considered to satisfy the conditions of section 162 or 212 to the extent that such contributions do not exceed the self-employment earnings of such individual derived from the trade or business with respect to which such plan is established, and to the extent that such contributions are not allocable (determined in accordance with regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance; and

"(D) any reference to compensation shall, in the case of a self-employed individual, be considered to be a reference to the self-employment earnings of such individual derived from the trade or business with respect to which the plan is established.

"(9) PLANS BENEFITING OWNER-EMPLOYEES.—In the case of a plan included in paragraph (1), (2), or (3) which provides contributions or benefits for employees some or all of whom are owner-employees—

"(A) the limitations provided by paragraphs (1), (2), (3), and (7) on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of employees (other than owner-employees), as if such employees were the only employees for whom contributions and benefits are provided under the plan;

"(B) the limitations provided by paragraphs (1), (2), (3), and (7) on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of owner-employees—

"(i) as if such owner-employees were the only employees for whom contributions and benefits are provided under the plan, and

"(ii) without regard to paragraph (1)(D), the second and third sentences of paragraph (3), and the second sentence of paragraph (7); and

"(C) the amounts deductible under paragraphs (1), (2), (3), and (7), with respect to contributions on behalf of any owner-employee, shall not exceed the applicable limitation provided in subsection (e).

For purposes of this paragraph and subsections (e) and (f), the term 'owner-employee' has the meaning assigned to it by section 401(c)(4)."

(b) LIMITATIONS ON DEDUCTIONS FOR CONTRIBUTIONS ON BEHALF OF OWNER-EMPLOYEES.—Section 404 of the Internal Revenue Code of 1954 (relating to the deductibility of contributions to pension, annuity, profit-sharing, or stock bonus plans or plans of deferred compensation) is amended by adding after subsection (d) the following new subsections:

"(e) SPECIAL LIMITATIONS FOR OWNER-EMPLOYEES.—

"(1) IN GENERAL.—In the case of a plan included in subsection (a)(1), (2), or (3) which provides contributions or benefits for employees some or all of whom are owner-employees, the amounts deductible under subsection (a) in any taxable year with respect to contributions on behalf of any owner-employee shall not exceed—

"(A) except as provided in subparagraph (B), $2,500, or 10 percent of the self-employment earnings derived by such owner-employee from the trade or business with respect to which the plan is established, whichever is the lesser; or

"(B) if section 401(a)(10) applies, the maximum amount of contributions permitted on behalf of such owner-employee on the application of section 401(d)(5).

"(2) CONTRIBUTIONS MADE UNDER MORE THAN ONE PLAN.—

"(A) OVERALL LIMITATION.—In any taxable year in which amounts are deductible with respect to two or more plans (whether established with respect to the same trade or business or different trades or businesses) on behalf of an individual who is an owner-employee with respect to such plans, the aggregate amount deductible for such taxable year under such plans with respect to contributions on behalf of such owner-employee shall not exceed whichever of the following amounts is the greater:

"(i) $2,500, or

"(ii) the sum of the amounts so contributed under all such plans to the extent that, with respect to each such plan, the amount contributed does not exceed the amount described in paragraph (1)(B).

"(B) ALLOCATION OF AMOUNTS DEDUCTIBLE.—In any case in which the amounts deductible under subsection (a) (with the application of the limitations of this subsection) with respect to contributions made by or for an owner-employee under two or more plans are, by reason of subparagraph (A), less than the amounts deductible under such subsection determined without regard to such subparagraph, the amount deductible under subsection (a) with respect to such contributions under each such plan shall be determined in accordance with regulations prescribed by the Secretary or his delegate.

"(3) CONTRIBUTIONS ALLOCABLE TO INSURANCE PROTECTION.—For purposes of this subsection, contributions which are allocable (determined under regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance shall not be taken into account.

"(f) CERTAIN LOAN REPAYMENTS CONSIDERED AS CONTRIBUTIONS.—For purposes of this section, any amount paid, directly or indirectly, by an owner-employee in repayment of any loan which under section 72(m)(4)(B) was treated as an amount received under a contract purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) or purchased as a part of a plan described in section 403(a) shall be treated as a contribution to which this section applies on behalf of such owner-employee to such trust or to or under such plan."

SEC. 4. TAXABILITY OF DISTRIBUTIONS.

(a) EMPLOYEES' ANNUITIES.—Section 72(d)(2) of the Internal Revenue Code of 1954 (relating to employees' annuities) is amended to read as follows:

"(2) SPECIAL RULES FOR APPLICATION OF PARAGRAPH (1).—For purposes of paragraph (1)—

"(A) if the employee died before any amount was received as an annuity under the contract, the words 'receivable by the employee' shall be read as 'receivable by a beneficiary of the employee'; and

"(B) any contribution made with respect to the contract while an individual is a self-employed individual within the meaning of section 401(c)(2) which is not allowed as a deduction under section 404 shall be treated as consideration for the contract contributed by the employee."

(b) SPECIAL RULES RELATING TO SELF-EMPLOYED INDIVIDUALS AND OWNER-EMPLOYEES.—Section 72 of the Internal Revenue Code of 1954 (relating to annuities, etc.) is amended by redesignating subsection (m) as subsection (o) and by inserting after subsection (l) the following new subsections:

"(m) SPECIAL RULES APPLICABLE TO EMPLOYEE ANNUITIES AND DISTRIBUTIONS UNDER EMPLOYEE PLANS.—

"(1) CERTAIN AMOUNTS RECEIVED BEFORE ANNUITY STARTING DATE.—Any amounts received under an annuity, endowment, or life insurance contract before the annuity starting date which are not received as an annuity (within the meaning of subsection (e)(2)) shall be included in the recipient's gross income for the taxable year in which received to the extent that—

"(A) such amounts, plus all amounts theretofore received under the contract and includible in gross income under this paragraph, do not exceed

"(B) the aggregate premiums or other consideration paid for the contract while the employee was an owner-employee (as defined in section 401(c)(4)) which were allowed as deductions under section 404 for the taxable year and all prior taxable years (not including any portion of such premiums or other consideration properly allocable, as determined under regulations prescribed by the Secretary or his delegate, to the cost of life, accident, health, or other insurance).

Any such amounts so received which are not includible in gross income under this paragraph shall be subject to the provisions of subsection (e).

"(2) COMPUTATION OF CONSIDERATION PAID BY THE EMPLOYEE.—In computing—

"(A) the aggregate amount of premiums or other consideration paid for the contract for purposes of subsection (c)(1)(A) (relating to the investment in the contract),

"(B) the consideration for the contract contributed by the employee for purposes of subsection (d)(1) (relating to employee's contributions recoverable in 3 years), and

"(C) the aggregate premiums or other consideration paid for purposes of subsection (e)(1)(B) (relating to certain amounts not received as an annuity),

any amount allowed as a deduction with respect to the contract under section 404 which was paid while the individual was a self-employed individual within the meaning of section 401(c)(2) shall be treated as consideration contributed by the employer, and there shall not be taken into account any portion of the premiums or other consideration for the contract paid while the individual was an owner-employee which is properly allocable (as determined under regulations prescribed by the Secretary or his delegate) to the cost of life, accident, health, or other insurance.

"(3) LIFE INSURANCE CONTRACTS.—

"(A) This paragraph shall apply to any life insurance contract—

"(i) purchased as a part of a plan described in section 403(a), or

"(ii) purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) if the proceeds of such contract are payable directly or indirectly to a participant in such trust or to a beneficiary of such participant.

"(B) Any contributions to a plan described in subparagraph (A) (i) or a trust described in subparagraph (A) (ii) which is allowed as a deduction under section 404, and any income of a trust described in subparagraph (A) (ii), which is determined in accordance with regulations prescribed by the Secretary or his delegate to have been applied to purchase the life insurance protection under a contract described in subparagraph (A), is includible in the gross income of the participant for the taxable year when so applied.

"(C) In the case of the death of an individual insured under a contract described in subparagraph (A), an amount equal to the cash surrender value of the contract immediately before the death of the insured shall be treated as a payment under such plan or a distribution by such trust, and the excess of the amount payable by reason of the death of the insured over such cash surrender value shall not be includible in gross income under this section and shall be treated as provided in section 101.

"(4) AMOUNTS CONSTRUCTIVELY RECEIVED.—

"(A) ASSIGNMENTS OR PLEDGES.—If during any taxable year an owner-employee assigns (or agrees to assign) or pledges (or agrees to pledge) any portion of his interest in a trust described in section 401(a) which is exempt from tax under section 501(a) or any portion of the value of a contract purchased as part of a plan described in section 403(a), such portion shall be treated as having been received by such owner-employee as a distribution from such trust or as an amount received under the contract.

"(B) LOANS ON CONTRACTS.—If during any taxable year, an owner-employee receives, directly or indirectly, any amount from any insurance company as a loan under a contract purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) or purchased as part of a plan described in section 403(a), and issued by such insurance company, such amount shall be treated as an amount received under the contract.

"(5) PENALTIES APPLICABLE TO CERTAIN AMOUNTS RECEIVED BY OWNER-EMPLOYEES.—

"(A) This paragraph shall apply—

"(i) to amounts (other than any amount received by an individual in his capacity as a policyholder of an annuity, endowment, or life insurance contract which is in the nature of a dividend or similar distribution) which are received from a qualified trust described in section 401(a) or under a plan described in section 403(a) and which are received by an individual, who is, or has been, an owner-employee before such individual attains the age of 59½ years, for any reason other than the individual's becoming disabled (within the meaning of section 213(g)(3)), but only to the extent that such amounts are attributable to contributions paid on behalf of such individual (whether or not paid by him) while he was an owner-employee,

"(ii) to amounts which are received from a qualified trust described in section 401(a) or under a plan described in section 403(a) at any time by an individual who is, or has been, an owner-employee, or by the successor of such individual, but only to the extent that such amounts are determined, under regulations prescribed by the Secretary or his delegate, to exceed the benefits provided for such individual under the plan formula, and

"(iii) to amounts which are received, by reason of the distribution under the provisions of section 401(e)(2)(E), by an individual who is, or has been, an owner-employee of his entire interest in all qualified trusts described in section 401(a) and in all plans described in section 403(a).

"(B)(i) If the aggregate of the amounts to which this paragraph applies received by any person in his taxable year equals or exceeds $2,500, the increase in his tax for the taxable year in which such amounts are received and attributable to such amounts shall not be less than 110 percent of the aggregate increase in taxes, for the taxable year and the 4 immediately preceding taxable years, which would have resulted if such amounts had been included in such person's gross income ratably over such taxable years.

"(ii) If deductions have been allowed under section 404 for contributions paid on behalf of the individual while he is an owner-employee for a number of prior taxable years less than 4, clause (i) shall be applied by taking into account a number of taxable years immediately preceding the taxable year in which the amount was so received equal to such lesser number.

"(C) If subparagraph (B) does not apply to a person for the taxable year, the increase in tax of such person for the taxable year attributable to the amounts to which this paragraph applies shall be 110 percent of such increase (computed without regard to this subparagraph).

"(D) Subparagraph (A)(ii) of this paragraph shall not apply to any amount to which section 402(a)(2) or 403(a)(2) applies.

"(E) Subsection (n)(3) shall apply for purposes of computing taxable income for each taxable year to which this paragraph applies.

"(6) OWNER-EMPLOYEE DEFINED.—For purposes of this subsection, the term 'owner-employee' has the meaning assigned to it by section 401(c)(4).

"(n) TREATMENT OF CERTAIN DISTRIBUTIONS WITH RESPECT TO CONTRIBUTIONS BY SELF-EMPLOYED INDIVIDUALS.—

"(1) APPLICATION OF SUBSECTION.—

"(A) DISTRIBUTIONS BY EMPLOYEES' TRUST.—Subject to the provisions of subparagraph (C), this subsection shall apply to amounts distributed to a distributee, in the case of an employees' trust described in section 401(a) which is exempt from tax under section 501(a), if the total distributions payable to the distributee with respect to an employee are paid to the distributee within one taxable year of the distributee—

"(i) on account of the employee's death,

"(ii) after the employee has attained the age of 59½ years, or

"(iii) after the employee has become disabled (within the meaning of section 213(g)(3)).

"(B) ANNUITY PLANS.—Subject to the provisions of subparagraph (C), this subsection shall apply to amounts paid to a payee, in the case of an annuity plan described in section 403(a), if the total amounts payable to the payee with respect to an employee are paid to the payee within one taxable year of the payee—

"(i) on account of the employee's death,

"(ii) after the employee has attained the age of 59½ years, or

"(iii) after the employee has become disabled (within the meaning of section 213(g)(3)).

"(C) LIMITATIONS AND EXCEPTIONS.—This subsection shall apply—

"(i) only with respect to so much of any distribution or payment to which (without regard to this subparagraph) subparagraph (A) or (B) applies as is attributable to contributions made by or for a self-employed individual within the meaning of section 401(c)(2), and

"(ii) if the recipient is the individual by or for whom such contributions were made, only if contributions which were allowed as a deduction under section 404 have been made by or for such individual while he was a self-employed individual within the meaning of section 401(c)(2) for 5 or more taxable years prior to the taxable year in which the total distributions payable or total amounts payable, as the case may be, are paid.

This subsection shall not apply to amounts described in clauses (ii) and (iii) of subparagraph (A) of subsection (m)(5) (but, in the case of amounts described in clause (ii) of such subparagraph, only to the extent that subsection (m)(5) applies to such amounts).

"(2) LIMITATION OF TAX.—In any case to which this subsection applies, the tax attributable to the amounts to which this subsection applies for the taxable year in which such amounts are received shall not exceed whichever of the following is the greater:

"(A) 5 times the increase in tax which would result from the inclusion in gross income of the recipient of 20 percent of so much of the amount so received as is includible in gross income, or

"(B) 5 times the increase in tax which would result if the taxable income of the recipient for such taxable year equalled 20 percent of the amount of the taxable income of the recipient for such taxable year determined under paragraph (3)(A).

"(3) DETERMINATION OF TAXABLE INCOME.—Notwithstanding section 63 (relating to definition of taxable income), for purposes only of computing the tax under this chapter attributable to amounts to which this subsection or subsection (m)(5) applies and which are includible in gross income—

"(A) the taxable income of the recipient for the taxable year of receipt shall be treated as being not less than the amount by which (i) the aggregate of such amounts so includible in gross income exceeds (ii) the amount of the deductions allowed for such taxable year under section 151 (relating to deductions for personal exemptions); and

"(B) in making ratable inclusion computations under paragraph (5)(B) of subsection (m), the taxable income of the recipient for each taxable year involved in such ratable inclusion shall be treated as being not less than the amount required by such paragraph (5)(B) to be treated as includible in gross income for such taxable year.

In any case in which the preceding sentence results in an increase in taxable income for any taxable year, the resulting increase in the taxes imposed by section 1 or 3 for such taxable year shall not be reduced by any

credit under part IV of subchapter A (other than section 31 thereof) which, but for this sentence, would be allowable."

(c) CAPITAL GAINS TREATMENT OF CERTAIN EMPLOYEES' TRUSTS DISTRIBUTIONS.—Section 402(a) of the Internal Revenue Code of 1954 (relating to capital gains treatment for certain distributions) is amended by adding at the end of paragraph (2) the following new sentence: "This paragraph shall not apply to distributions paid to any distributee to the extent such distributions are attributable to contributions made by or for an individual while he was a self-employed individual within the meaning of section 401(c)(2)."

(d) CAPITAL GAINS TREATMENT OF CERTAIN EMPLOYEES' ANNUITY PAYMENTS.—Section 403(a) of the Internal Revenue Code of 1954 (relating to taxability of a beneficiary under a qualified annuity plan) is amended—

(1) by striking out in paragraph (2)(A) (i) "which meets the requirements of section 401(a) (3), (4), (5), and (6)" and inserting in lieu thereof "described in paragraph (1)";

(2) by adding at the end of paragraph (2)(A) the following new sentence: "This subparagraph shall not apply to amounts paid to any payee to the extent such amounts are attributable to contributions made by or for an individual while he was self-employed individual within the meaning of section 401 (c)(2)."; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) SELF-EMPLOYED INDIVIDUALS.—For purposes of this subsection, the term 'employee' includes an individual who is a self-employed individual within the meaning of section 401(c)(2), and the employer of such individual is the person treated as his employer under section 401(c)(5)."

SEC. 5. PLANS FOR PURCHASE OF UNITED STATES BONDS.

(a) QUALIFIED BOND PURCHASE PLANS.—Part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to deferred compensation, etc.) is amended by adding at the end thereof the following new section:

"SEC. 405. QUALIFIED BOND PURCHASE PLANS.

"(a) REQUIREMENTS FOR QUALIFICATION.—A plan of an employer for the purchase for and distribution to his employees or their beneficiaries of United States bonds described in subsection (b) shall constitute a qualified bond purchase plan under this section if—

"(1) the plan meets the requirements of section 401(a) (other than paragraphs (1), (2), and (12)) and, if applicable, the requirements of section 401(d) (other than paragraphs (1), (6)(B), and (8)); and

"(2) contributions under the plan are used solely to purchase for employees or their beneficiaries United States bonds described in subsection (b).

"(b) BONDS TO WHICH APPLICABLE.—

"(1) CHARACTERISTICS OF BONDS.—This section shall apply only to a bond issued under the Second Liberty Bond Act, as amended, which by its terms, or by regulations prescribed by the Secretary under such Act—

"(A) provides for payment of interest, or investment yield, only upon redemption;

"(B) may be purchased only in the name of an individual;

"(C) ceases to bear interest, or provide investment yield, not later than 5 years after the death of the individual in whose name it is purchased;

"(D) may be redeemed before the death of the individual in whose name it is purchased only if such individual—

"(i) has attained the age of 59½ years, or

"(ii) has become disabled (within the meaning of section 213(g) (3)); and

"(E) is nontransferable.

"(2) MUST BE PURCHASED IN NAME OF EMPLOYEE.—This section shall apply to a bond described in paragraph (1) only if it is purchased in the name of the employee.

"(c) DEDUCTION FOR CONTRIBUTIONS TO BOND PURCHASE PLANS.—Contributions paid by an employer to or under a qualified bond purchase plan shall be deductible in an amount determined under section 404(a) in the same manner and to the same extent as if such contributions were made to a trust described in section 401(a) which is exempt from tax under section 501 (a).

"(d) TAXABILITY OF BENEFICIARY OF QUALIFIED BOND PURCHASE PLAN.—

"(1) GROSS INCOME NOT TO INCLUDE BONDS AT TIME OF DISTRIBUTION.—For purposes of this chapter, in the case of a distributee of a bond described in subsection (b) under a qualified bond purchase plan, or from a trust described in section 401(a) which is exempt from tax under section 501(a), gross income does not include any amount attributable to the receipt of such bond. Upon redemption of such bond, the proceeds shall be subject to taxation under this chapter, but the provisions of section 72 (relating to annuities, etc.) and section 1232 (relating to bonds and other evidences of indebtedness) shall not apply.

"(2) BASIS.—The basis of any bond received by a distributee under a qualified bond purchase plan—

"(A) if such bond is distributed to an employee, or with respect to an employee, who at the time of purchase of the bond, was not a self-employed individual within the meaning of section 401(c)(2), shall be the amount of the contributions by the employee which were used to purchase the bond, and

"(B) if such bond is distributed to an individual, or with respect to an individual, who, at the time of purchase of the bond, was a self-employed individual within the meaning of section 401(c)(2), shall be the amount of the contributions used to purchase the bond which were made by or for such individual and were not allowed as a deduction under subsection (c).

The basis of any bond described in subsection (b) received by a distributee from a trust described in section 401(a) which is exempt from tax under section 501(a) shall be determined under regulations prescribed by the Secretary or his delegate.

"(e) CAPITAL GAINS TREATMENT NOT TO APPLY TO BONDS DISTRIBUTED BY TRUSTS.—Section 402(a)(2) shall not apply to any bond described in subsection (b) distributed to any distributee and, for purposes of applying such section, any such bond distributed to any distributee and any such bond to the credit of any employee shall not be taken into account.

"(f) EMPLOYEE DEFINED.—For purposes of this section, the term 'employee' includes an individual who is a self-employed individual within the meaning of section 401 (c)(2), and the emplyoyer of such individual shall be the person treated as his employer under section 401(c)(5).

"(g) PROOF OF PURCHASE.—At the time of purchase of any bond to which this section applies, proof of such purchase shall be furnished in such form as will enable the purchaser, and the employee in whose name such bond is purchased, to comply with the provisions of this section.

"(h) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new item:

"Sec. 405. Qualified bond purchase plans."

SEC. 6. PROHIBITED TRANSACTIONS.

Section 503 of the Internal Revenue Code of 1954 (relating to prohibited transactions) is amended by adding at the end thereof the following new subsection:

"(j) TRUSTS BENEFITING CERTAIN OWNER-EMPLOYEES.—

"(1) PROHIBITED TRANSACTIONS.—In the case of a trust described in section 401(a) which is part of a plan providing contributions or benefits for employees some or all of whom are owner-employees (as defined in section 401(c)(4)) who control (within the meaning of section 401(d)(9)(B)), the trade or business with respect to which the plan is established, the term 'prohibited transaction' also means any transaction in which such trust, directly or indirectly—

"(A) lends any part of the corpus or income of the trust to;

"(B) pays any compensation for personal services rendered to the trust to;

"(C) makes any part of its services available on a preferential basis to; or

"(D) acquires for the trust any property from, or sells any property to;

any person described in subsection (c) or to any such owner-employee, a member of the family (as defined in section 267(c)(4)) of any such owner-employee, or a corporation controlled by any such owner-employee through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

"(2) SPECIAL RULE FOR LOANS.—For purposes of the application of paragraph (1)(A), the following rules shall apply with respect to a loan made before the date of the enactment of this subsection which would be a prohibited transaction if made in a taxable year beginning after December 31, 1961:

"(A) If any part of the loan is repayable prior to December 31, 1964, the renewal of such part of the loan for a period not extending beyond December 31, 1964, on the same terms, shall not be considered a prohibited transaction.

"(B) If the loan is repayable on demand, the continuation of the loan beyond December 31, 1964, shall be considered a prohibited transaction."

SEC. 7. OTHER SPECIAL RULES, TECHNICAL CHANGES, AND ADMINISTRATIVE PROVISIONS.

(a) RETIREMENT INCOME CREDIT.—Section 37(c)(1) of the Internal Revenue Code of 1954 (relating to definition of retirement income) is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) pensions and annuities (including, in the case of an individual who is, or has been, a self-employed individual within the meaning of section 401(c)(2), distributions by a trust described in section 401(a) which is exempt from tax under section 501(a)),"; and

(2) by striking out "and" at the end of subparagraph (C), by striking out "or" at the end of subparagraph (D) and inserting in lieu thereof "and", and by adding after subparagraph (D) the following new subparagraph:

"(E) bonds described in section 405(b)(1) which are received under a qualified bond purchase plan described in section 405(a) or in a distribution from a trust described in section 401(a) which is exempt from tax under section 501(a), or".

(b) ADJUSTED GROSS INCOME.—Section 62 of the Internal Revenue Code of 1954 (relating to the definition of adjusted gross income) is amended by inserting after paragraph (6) the following new paragraph:

"(7) PENSION, PROFIT-SHARING, ANNUITY, AND BOND PURCHASE PLANS OF SELF-EMPLOYED INDIVIDUALS.—In the case of an individual who is a self-employed individual within the meaning of section 401(c)(2), the deductions allowed by section 404 and section 405(c) to the extent attributable to contributions made by or for such individual."

(c) DEATH BENEFITS.—Section 101(b) of the Internal Revenue Code of 1954 (relating to employees' death benefits) is amended—

(1) by striking out clause (ii) of paragraph (2)(B) and inserting in lieu thereof the following:

"(ii) under an annuity contract under a plan described in section 403(a), or"; and

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

"(3) SELF-EMPLOYED INDIVIDUAL NOT CONSIDERED AN EMPLOYEE.—For purposes of this subsection, an individual shall not be treated as an employee in the case of—

"(A) a pension or profit-sharing trust described in section 401(a) which is exempt from tax under section 501(a), or

"(B) an annuity contract under a plan described in section 403(a),

if such individual was included at any time under the plan as a self-employed individual within the meaning of section 401(c)(2)."

(d) AMOUNTS RECEIVED THROUGH ACCIDENT OR HEALTH INSURANCE.—Section 104(a) of the Internal Revenue Code of 1954 (relating to compensation for injuries or sickness) is amended by adding at the end thereof the following new sentence: "For purposes of paragraph (3), in the case of an individual who is, or has been, a self-employed individual within the meaning of section 401(c)(2), contributions made by or for such individual while he was such an individual to a trust described in section 401(a) which is exempt from tax under section 501(a), or under a plan described in section 403(a), shall, to the extent allowed as deductions under section 404, be treated as contributions by the employer which were not includible in the gross income of the employee."

(e) AMOUNTS RECEIVED UNDER ACCIDENT AND HEALTH PLANS.—Section 105 of the Internal Revenue Code of 1954 (relating to amounts received under accident and health plans) is amended by adding at the end thereof the following new subsection:

"(g) SELF-EMPLOYED INDIVIDUAL NOT CONSIDERED AS EMPLOYEE.—For purposes of this section, the term 'employee' does not include an individual who is a self-employed individual within the meaning of section 401(c)(2)."

(f) NET OPERATING LOSSS DEDUCTION.—Section 172(d)(4) of the Internal Revenue Code of 1954 (relating to nonbusiness deductions of taxpayers other than corporations) is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding after subparagraph (C) the following new subparagraph:

"(D) any deduction allowed under section 404 or section 405(c) to the extent attributable to contributions which are made on behalf of an individual who is a self-employed individual within the meaning of section 401(c)(2) shall not be treated as attributable to the trade or business of such individual."

(g) CERTAIN LIFE INSURANCE RESERVES.—Section 805(d)(1) of the Internal Revenue Code of 1954 (relating to pension plan reserves) is amended—

(1) by striking out in subparagraph (B) "meeting the requirements of section 401(a)(3), (4), (5), and (6), or" and inserting in lieu thereof "described in section 403(a), or plans meeting"; and

(2) by striking out "section 401(a)(3), (4), (5), and (6);" in subparagraph (C) and inserting in lieu thereof "section 401(a) (other than paragraphs (1), (2), and (12)) and, in the case of a plan described in section 404(a)(9), which meets the requirements of section 401 (d) (other than paragraphs (1) and (4));".

(h) UNINCORPORATED BUSINESS ELECTING TO BE TAXED AS CORPORATIONS.—Section 1361(d) of the Internal Revenue Code of 1954 (relating to unincorporated business enterprises electing to be taxed as domestic corporations) is amended to read as follows:

"(d) LIMITATION.—For purposes of sections 401(a) relating to employees pension trusts, etc.) and 405 (relating to qualified bond purchase plans), a partner or proprietor of an unincorporated business enterprise as to which an election has been made under subsection (a) shall not be considered an employee other than as a self-employed individual within the meaning of section 401(c)(2)."

(i) ESTATE TAX EXEMPTION OF EMPLOYEES' ANNUITIES.—Section 2039 of the Internal Revenue Code of 1954 (relating to exemption from the gross estate of annuities under certain trusts and plans) is amended—

(1) by striking out in subsection (c)(2) "met the requirements of section 401(a)(3), (4), (5), and (6)" and inserting "was a plan described in section 403(a)"; and

(2) by adding at the end of subsection (c) the following new sentence: "For purposes of this subsection, contributions or payments on behalf of the decedent while he was a self-employed individual within the meaning of section 401(c)(2) made under a trust or plan described in paragraph (1) or (2) shall be considered to be contributions or payments made by the decedent."

(j) GIFT TAX EXEMPTION OF EMPLOYEES' ANNUITIES.—Section 2517 of the Internal Revenue Code of 1954 (relating to exclusion from gift tax in case of certain annuities under qualified plans) is amended—

(1) by striking out in subsection (a)(2) "met the requirements of section 401(a)(3), (4), (5), and (6)" and inserting in lieu thereof "was a plan described in section 403(a)"; and

(2) by adding at the end of subsection (b) the following new sentence: "For purposes of this subsection, payments or contributions on behalf of an individual while he was a self-employed individual within the meaning of section 401(c)(2) made under a trust or plan described in subsection (a)(1) or (2) shall be considered to be payments or contributions made by the employee."

(k) FEDERAL UNEMPLOYMENT TAX ACT.—Section 3306(b)(5) of the Internal Revenue Code of 1954 (relating to definition of wages) is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403(a), or

"(C) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a);".

(l) WITHHOLDING OF INCOME TAX.—Section 3401(a)(12) of the Internal Revenue Code of 1954 (relating to definition of wages) is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403(a); or

"(C) under or to a bond purchase plan which, at the time of such payment is a qualified bond purchase plan described in section 405(a)."

(m) INFORMATION REQUIREMENTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC. 6047. INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY AND BOND PURCHASE PLANS

"(a) TRUSTEES AND INSURANCE COMPANIES.—The trustee of a trust described in section 401(a) which is exempt from tax under section 501(a) to which contributions have been paid under a plan by or for any owner-employee (as defined in section 401 (c)(4), and each insurance company *or other person* which is the issuer of a contract purchased by such a trust, or purchased under a plan described in section 403(a), contributions for which have been paid by or for any owner-employee, shall file such returns (in such form and at such times), keep such records, make such identification of contracts and funds (and accounts within such funds), and supply such information, as the Secretary or his delegate shall by forms or regulations prescribe.

"(b) OWNER-EMPLOYEES.—Every individual by or for whom contributions have been paid as an owner-employee (as defined in section 401(c)(4))—

"(1) to a trust described in section 401(a) which is exempt from tax under section 501(a), or

"(2) to an insurance company or other person under a plan described in section 403(a),

shall furnish the trustee, insurance company, or other person, as the case may be, such information at such times and in such form and manner as the Secretary or his delegate shall prescribe by forms or regulations.

"(c) EMPLOYEES UNDER QUALIFIED BOND PURCHASE PLANS.—Every individual in whose name a bond described in section 405(b)(1) is purchased by his employer under a qualified bond purchase plan described in section 405(a), or by a trust described in section 401(a) which is exempt from tax under section 501(a), shall furnish—

"(1) to his employer or to such trust, and

"(2) to the Secretary (or to such person as the Secretary may by regulations prescribe),

such information as the Secretary or his delegate shall by forms or regulations prescribe.

"(d) CROSS REFERENCE.—

"For criminal penalty for furnishing fraudulent information, see section 7207."

(2) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by adding at the end thereof the following:

"Sec. 6047. Information relating to certain trusts and annuity and bond plans."

(3) PENALTY.—Section 7207 of the Internal Revenue Code of 1954 (relating to fraudulent returns, statements, or other documents) is amended by adding at the end thereof the following new sentence: "Any person required pursuant to section 6047 (b) or (c) to furnish any information to the Secretary or any other person who willfully furnishes to the Secretary or such other

person any information known by him to be fraudulent or to be false as to any materiel matter shall be fined not more than $1,000, or imprisoned not more than 1 year, or both."

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1961.

The SPEAKER. Is a second demanded?

Mr. CURTIS of Missouri. Mr. Speaker, I demand a second.

Mr. KEOGH. 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. KEOGH. Mr. Speaker, I yield myself 13 minutes.

Mr. Speaker, we come before the House today for the third and what I profoundly hope, trust, and am optimistic will be, the last time to do a modicum of justice to a great group of people in this country, the self-employed. We are here today, Mr. Speaker, as on previous occasions, solely and only by reason of your fine cooperation for which I am deeply grateful. I should like also to express my appreciation to the majority and to the minority leadership, to the chairman and members of the Committee on Ways and Means, to the staff of that committee and of the Joint Committee on Internal Revenue Taxation and to the staff director of the Joint Committee as well as to the innumerable persons in private and public life who unselfishly have lent their aid and assistance to the advancement of this worthwhile cause. Mr. Speaker, if I have omitted anyone who is entitled to our appreciation I mean to include him now.

Like its predecessor this bill is designed to encourage the establishment of voluntary retirement plans by self-employed persons. It would do this by permitting such persons to participate in qualified retirement plans and to obtain a current income tax deferment for certain amounts set aside to provide them with future retirement benefits.

The pending bill is H.R. 10, Mr. Speaker, but it might well be any one of the following bills introduced by distinguished Members of this body on both sides of the aisle. They range, and will be listed in my remarks, from H.R. 249 by the gentleman from Illinois [Mr. LIBONATI] to H.R. 7427 by the gentleman from Kansas [Mr. SHRIVER]. The list includes some of the most distinguished and obviously capable Members of this body and is as follows:

H.R. 249, by Mr. LIBONATI, of Illinois.
H.R. 736, by Mr. McDONOUGH, of California.
H.R. 2289, by Mr. SCHWENGEL, of Iowa.
H.R. 2391, by Mr. ANFUSO, of New York.
H.R. 2406, by Mr. BROOMFIELD, of Michigan.
H.R. 2723, by Mr. GEORGE P. MILLER, of California.
H.R. 2801, by Mr. ZELENKO, of New York.
H.R. 3553, by Mrs. MAY, of Washington.
H.R. 3956, by Mr. CRAMER, of Florida.
H.R. 3976, by Mr. DOOLEY, of New York.
H.R. 4138, by Mr. MCFALL, of California.
H.R. 4608, by Mr. KARTH, of Minnesota.
H.R. 5102, by Mr. UTT, of California.
H.R. 5145, by Mr. BOGGS, of Louisiana.
H.R. 5214, by Mr. MONAGAN, of Connecticut.
H.R. 5345, by Mr. DEROUNIAN, of New York.
H.R. 5364, by Mr. MORSE, of Massachusetts.
H.R. 5417, by Mr. STEED, of Oklahoma.
H.R. 5515, by Mr. BEERMANN, of Nebraska.
H.R. 5630, by Mr. INOUYE, of Hawaii.
H.R. 5931, by Mr. BURKE, of Massachusetts.
H.R. 6090, by Mr. HAGEN, of California.
H.R. 6616, by Mr. BASS, of Tennessee.
H.R. 6267, by Mr. TEAGUE, of California.
H.R. 6297, by Mr. FLOOD, of Pennsylvania.
H.R. 6351, by Mr. BETTS, of Ohio.
H.R. 6379, by Mr. STAFFORD, of Vermont.
H.R. 6404, by Mr. FULTON, of Pennsylvania.
H.R. 6408, by Mr. GREEN, of Pennsylvania.
H.R. 6435, by Mr. JUDD, of Minnesota.
H.R. 6609, by Mr. HERLONG, of Florida.
H.R. 6881, by Mr. FASCELL, of Florida.
H.R. 6910, by Mr. FOGARTY, of Rhode Island.
H.R. 7055, by Mr. GOODELL, of New York.
H.R. 7107, by Mr. MATHIAS, of Maryland.
H.R. 7187, by Mr. LIPSCOMB, of California.
H.R. 7427, by Mr. SHRIVER, of Kansas.

This bill, like its predecessors, also has the active support of a long distinguished list of national professional and businessmen's associations as follows:

American Angus Association.
American Association of Consulting Chemists & Chemical Engineers.
American Association of Medical Clinics.
American Association of Small Business.
American Bar Association.
American Brahman Breeders Association.
American College of Radiology.
American Dental Association.
American Guernsey Cattle Club.
American Hereford Association.
American Hotel Association.
American Institute of Architects.
American Institute of Chemists.
American Jersey Cattle Club.
American Medical Association.
American National Cattlemen's Association.
American Ophthalmological Society.
American Optometric Association.
American Patent Law Association.
American Podiatry Association.
American Quarter Horse Association.
American Society of Industrial Designers.
American Society of Landscape Architects, Inc.
American Retail Federation.
American Shorthorn Breeders' Association.
American Thoroughbred Breeders' Association, Inc.
American Veterinary Medical Association.
Association of Consulting Management Engineers, Inc.
Association of Stock Exchange Firms.
Authors League of America.
Automotive Affiliated Representatives.
Commercial Law League of America.
Contracting Plasterers' and Lathers' International Association.
Holstein-Friesian Association of America.
League of New York Theatres, Inc.
National Association of Dance Teachers Organizations.
National Association of Homebuilders of the United States.
National Association of Plumbing Contractors.
National Association of Retail Druggists.
National Association of Retail Grocers.
National Association of Retail Meat & Food Dealers, Inc.
National Association of Tax Accountants.
National Association of Women and Children's Apparel Salesmen, Inc.
National Association of Women Lawyers.
National Automobile Dealers Association.
National Council of Salesmen's Organizations, Inc.
National Farmers Union.
National Federation of Independent Business.
National Food Brokers Association.
National Funeral Directors Association.
National Lamb Feeders.
National Liquor Stores Association, Inc.
National Live Stock Tax Committee.
National Milk Producers Federation.
National Shorthand Reporters Association.
National Restaurant Association, Inc.
National Roofing Contractors Association.
National Small Business Men's Association.
National Society of Professional Engineers.
National Society of Public Accountants.
National Sugar Brokers Association.
National Wholesale Furniture Salesmen's Association.
National Wool Growers' Association.
Bureau of Salesmen's National Association.
Painting & Decorating Contractors of America.
American Society of Internal Medicine.
Society of American Florists.
Society of Magazine Writers.
The National Grange.

Mr. Speaker, the objective of the pending bill H.R. 10 is as that of its predecessors which were approved twice by the House. It differs somewhat from their format. In general, this bill would treat self-employed individuals as employees for the purpose of extending to them some of the tax benefits that present law provides in the case of qualified retirement plans established by employers for their employees. For the purposes of this bill, self-employed persons would, in effect, be treated as employers of themselves. Like other employers, they would be permitted to deduct limited amounts set aside under retirement plans for their own benefit, as well as amounts set aside for the benefit of their employees. Like other employee-participants in qualified plans, they would not be taxed on contributions made for their benefit or on any increment thereon until such time as they receive a distribution thereof upon retirement or otherwise.

The pending bill also differs from its predecessors in that it makes a distinction between self-employed persons who have less than four regular employees—excluding part-time and seasonal employees—and those self-employed persons who have more than three regular employees. This distinction not only affects the limitation on the deduction to which a self-employed person would be entitled for contributions made to a retirement plan for his own benefit, but it also affects the extent to which coverage must be provided for his employees under the retirement plan.

Mr. Speaker, under this bill, self-employed persons who have less than four regular employees may establish a qualified retirement plan solely for themselves and defer up to 10 percent of their self-employment earnings, or $2,500, whichever is the lesser, for amounts set aside to provide for their future retirement. For the purposes of this bill the term "self-employment earnings" is not limited to earned income from personal services, but also includes a return on capital invested in the business. Such persons may, but are not required to, set up a retirement plan for their employees.

Self-employed persons who have more than three employees, however, cannot set up a retirement plan to benefit themselves unless they also provide vested benefits for all of their regular employees who have 3 or more years of service. If such a plan is established, the amount that the self-employed person may set aside for his own benefit and obtain a deferment for is limited so that the ratio of the contribution made for himself cannot exceed the ratio of contributions to compensation in the case of any of his employees.

Mr. Speaker, I want to make one point clear. The pending bill, H.R. 10, has absolutely no effect on any existing or contemplated corporate pension plan nor on the participants therein, whether they be stockholders or not. This bill does, however, in a number of other respects adopt the general approach to the retirement problem of the self-employed that was submitted by the Treasury Department last year. For example, this bill does impose additional restrictive qualification tests for retirement plans covering self-employed persons who are sole proprietors or partners who own more than a 10-percent partnership interest in capital or profits. Such persons are designated as "owner-employees" in the bill. In addition, the bill precludes these owner-employees from obtaining certain other income, gift, and estate tax benefits that are provided under present law with respect to distributions from qualified employee retirement plans. These Treasury-submitted modifications have been incorporated in the pending bill in order to minimize the perennial and somewhat vacillating objections made by that Department to any reasonably equitable solution of the retirement problem of the self-employed.

Mr. Speaker, one objection has been made to the pending bill, H.R. 10, which to my mind misconceives the purposes designed to be served by this bill. As I have just indicated, there are certain annual dollar limitations on the amount that may be deducted by a self-employed person. The bill also provides certain penalties in the event that contributions are made in excess of these limitations. This feature of the bill is designed to preclude undue advantage from being taken of the fact that any increment on invested contributions is tax deferred.

It has been suggested that these penalty provisions may make certain fixed-dollar investment commitments—such as life insurance contracts—perilous where a self-employed person has fluctuating income. In such a situation, if the limitation on his allowable deduction were to drop below the level required by his investment commitment, the sanctions of the bill relating to excess contributions would apply. It is my view that the pending bill achieves the desired result in this area and that investment commitments must be tailored to conform to the bill's restrictions and limitations, and not vice versa.

Mr. Speaker, this bill comes to you today with the overwhelming support of the membership of the Committee on Ways and Means. I strongly urge its adoption in order to correct, in some measure, the grave discrimination that exists under present law which inequitably denies the self-employed the opportunity to obtain any tax benefits analogous to those provided to corporate owner-managers who participate in qualified retirement plans.

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

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

Mr. GROSS. In certain respects, the bill is more restrictive than your bill of last year?

Mr. KEOGH. I would say, generally speaking, yes.

Mr. GROSS. I thank the gentleman.

Mr. ANFUSO. Mr. Speaker, will the gentleman yield for a brief question?

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

Mr. ANFUSO. Does the bill also take in lawyers?

Mr. KEOGH. The bill takes in all self-employed individuals.

Mr. ANFUSO. Well, we wanted to be sure it took in lawyers.

Mr. KEOGH. The bill takes in all self-employed individuals whether they be professional men or businessmen. I would like to make it clear in that regard that I do not like to have this bill considered as a lawyer's bill or as a doctor's bill or as any other professional man's bill. This bill is designed to aid those who by law cannot or by choice do not operate as corporations.

Mr. ANFUSO. I want to congratulate my distinguished colleague from Brooklyn on his very excellent statement.

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

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

Mr. CELLER. Would this bill apply to lawyers who are Members of Congress and who are under a pension system?

Mr. KEOGH. I doubt it very much. But, I would prefer not to go into as technical a discussion as that question involves. I would say as a general proposition, certainly, a man who has rendered such long service to his city, State, and Nation as the chairman of the Committee on the Judiciary of the House of Representatives would probably not come within the provisions of this bill.

Mr. CURTIS of Missouri. Mr. Speaker, I yield myself 5 minutes.

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

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. LINDSAY. I have asked the gentleman to yield to ask this question. Can the author of the bill or can the gentleman now in the well of the House tell us what the fiscal impact of this measure is in terms of revenue to the United States? What about the amount of revenue that will be lost?

Mr. CURTIS of Missouri. The revenue lost is $358 million for the first full year. That is one reason I might state that I am taking the floor to oppose the bill.

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

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. KEOGH. Of course, I am sure the gentleman must concede that the sponsors of the legislation do not agree with the estimates of the Treasury Department.

Mr. CURTIS of Missouri. I did not realize that, but the figures are the best estimates we have and, frankly, I think they are probably pretty accurate.

Mr. Speaker, I find myself in an unusual position, the same position I was in last year when I opposed H.R. 10, because I happened to agree with the author of the bill that present law contains an inequity that discriminates against the self-employed that we are going to have to correct, and we should correct it as soon as possible in as sound a manner as possible.

On the other hand, it is foolhardy, in my judgment, to continue to bring these things out on the floor of the House, pass them, as we did last time, send them over to the Senate, knowing full well that they have not been budgeted and, therefore, the administration in some way or other is going to defeat the legislation; and on sound basis. I have told our friends in the American Bar Association and other professional groups that are interested in this legislation that the battle must be won at the budgetary level, because some of the people who are strongest behind this kind of legislation are also committed to trying to preserve a balanced budget.

It is very strange to find people who have generally over a long period of years had no interest in a balanced budget, no interest in the conservative fiscal viewpoint, who apparently have not any interest in having this legislation included in the budget but who continually push this legislation without making any effort to have it put in the budget. I just wonder whether that is a sign of weakness, to go through these motions just to make it appear as if they were really in favor of creating a reform in this area and yet at the same time discourage the support of those of us who are committed—and I am committed—to trying to preserve a balanced budget.

Incidentally, in my judgment this is no way to bring a matter of this importance to the floor of the House with 20 minutes debate on each side, and I want to remind the House that this is not the same H.R. 10 that the House considered under similar procedures before. I am going to put in the RECORD at this point, and ask unanimous consent, Mr. Speaker, to do so, a chart showing a comparison of various versions of H.R. 10.

The SPEAKER. Without objection it is so ordered.

There was no objection.

(The matter referred to follows:)

Comparison of principal provisions of various versions of H.R. 10

	Original House bill (H.R. 10, 86th Cong.)	Finance Committee bill (86th Cong.)	Present bill (H.R. 10, 87th Cong.)
Basic concept	Self-employed persons were permitted special deduction for retirement savings invested in restricted retirement policies or plans.	Self-employed persons generally were treated as employees for pension plan purposes.	Self-employed persons generally are treated as employees for pension plan purposes.
Coverage for employees	No provision	Nondiscriminatory pension plans were required to be set up under the rules of present law.	Nondiscriminatory pension plans are required to be set up under the rules of present law with certain modifications to cover self-employed individuals if there are more than three employees.
Amount deductible annually by self-employed individuals.	10 percent of net earnings from self-employment or $2,500 whichever was the lesser.	10 percent of earned income or $2,500 whichever was the lesser or an amount equal to one-half of the vested contributions made for true employees. Applicable only to more than 10 percent owners.	(a) 10 percent of self-employment earnings or $2,500, whichever is lesser in the case of self-employed individuals with three or fewer employees. Applicable only to more than 10 percent owners. (b) An amount proportional to contributions made for true employees, in the case of self-employed persons with more than three employees. Applicable only to more than 10 percent owners.
Amount deductible for corporate employees who are more than 10-percent owners.	No provision	10 percent of earned income or $2,500, whichever was the lesser, or an amount equal to vested contributions made for other employees, or an amount sufficient to fund a 20-percent annuity.	No provision.
Special deduction for self-employed persons over age 50.	The limitation described above is increased by 1/10 for each year the self-employed individual was over age 50 on Jan. 1, 1959.	No provision	Do.
Lifetime limitation	$50,000	do	Do.
Vesting	No provision	Vesting was required in case of all profit sharing and stock bonus plans, and in case of pension plans if (a) a covered person controll d (by more than 50 percent ownership interest) the trade or business, or (b) the deductible contributions for more than 10 percent owners exceeded the 10-percent $2,500 limitation.	(a) In the case of self-employed persons with more than 3 employees, complete vesting is required in all plans. (b) In the case of self-employed individuals with 3 or fewer employees, no provision.
Exclusion of certain employees	do	Employees with more than 3 years' service (other than part-time and seasonal employees) could not be excluded for years of service, but could be excluded because of nondiscriminatory classification. Applicable only to plans covering self-employed individuals or more than 10 percent owner employees of corporations.	(a) In the case of self-employed individuals with more than 3 employees, all employees with 3 years' service (other than seasonal and part-time employees) are required to be covered. (b) In the case of self-employed persons with 3 or fewer employees, no provision.
Coordination with social security	do	Coordination permitted under rules of present law where vested contributions for employees were at least twice as great as contributions for more than 10 percent owners.	(a) Coordination permitted in case of self-employed persons with more than 3 employees if contributions for such self-employed persons do not exceed 1/3 of the total deductible contributions, but special rules apply. (b) In case of self-employ)d persons with 3 or fewer employees, no provision.
Capital gains treatment on lump-sum distributions.	Capital gains treatment denied, but special averaging rules provided.	Capital gains treatment denied, but special averaging rules provided.	Capital gains treatment denied, but special averaging rules provided.
Estate and gift tax exclusions	No provision	Exclusions denied in the case of self-employed individuals.	Exclusions denied in the case of self-employed individuals.
Limitation on time of payment of benefits.	Distributions were not permitted prior to age 65 but were required to commence by age 70 and must have been completed by age 80.	Benefits could not be payable to more than 10 percent owners before age 59½ (except in the case of permanent disability or death) but must begin before age 70½.	Benefits not payable to more than 10 percent owners before age 59½ (except in the case of permanent disability or death) but must begin before age 70½.
Face amount certificates	Investment in face amount certificates permitted.	No provision	Investment in face amount certificates permitted.
Custodial account	No provision	do	Custodial account in lieu of trust is permitted if investments are solely in regulated investment company stock.
Bond purchase plan	do	Permitted	Permitted.

Mr. CURTIS of Missouri. As will be seen one column of the chart shows the original House bill, H.R. 10, of the 86th Congress; the next column shows the Finance Committee version of the 86th Congress, and the third column shows this present bill, H.R. 10 of the 87th Congress. There are 16 items, all major provisions in which there are considerable changes and differences between these three versions of the bill.

The Ways and Means Committee did not give adequate attention to these differences. We considered this matter for only 3 hours in executive session. Under this kind of procedure there is no opportunity to inform the House of where these major differences are.

Four of the members of the Ways and Means Committee signed minority views which can be found in the report beginning at page 93. We point out there that aside from this budgetary problem there is the fact that there are disparities which would either be continued or created under this legislation which in many respects are going to create inequities that presently do not exist, in the attempt to move forward to correct a basically iniquitous condition of the self-employed vis-a-vis those who work for corporations.

The SPEAKER. The gentleman from Missouri has consumed 5 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I yield myself 1 additional minute.

It is for these reasons that I would urge, and I think my colleagues who joined me in the minority views will urge, that the House carefully consider this measure. I am one of those who think the way to proceed in this matter is to get it put in the budget. It is an item that should be in the budget in my judgment. The sooner we do that the sooner we are going to actually get legislation and move forward in this very important area with a result that will produce a change that will become law to improve the retirement security of our self-employed and other people who today do not participate in employment pension plans.

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentlewoman from Washington.

Mrs. MAY. Mr. Speaker, I wish to urge favorable action of this body today in passing and sending to the other body H.R. 10, which would allow tax deductions to self-employed persons who set up their own retirement systems.

I am one of a large number of Members of Congress who have joined the

gentleman from New York [Mr. KEOGH] in introduction of companion legislation to H.R. 10, which would encourage the establishment of voluntary pension plans by self-employed individuals.

This program would be of substantial benefit to those who farm, those engaged in small business, and professional self-employed who want to save some of their own money for their own retirement before taxes take most of what they earn.

Provisions in this legislation would allow self-employed persons to deduct for income tax purposes 10 percent of their incomes, up to $2,500 a year, if they invest the sums in specified types of retirement plans. Self-employed persons with more than three employees would be required to set up nondiscriminatory pension plans for their employees in order to enjoy the benefits of the legislation. I feel that this legislation is long overdue, and I am hopeful that it can be enacted into law this year.

Mr. KEOGH. Mr. Speaker, I am very happy and proud to yield to the junior member on the majority side of the Committee on Ways and Means, the very able and distinguished Representative from the Commonwealth of Massachusetts, Mr. BURKE.

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to associate myself with my esteemed friend from New York and to compliment him on the excellent job he has done in connection with this legislation.

I am especially pleased today to speak in support of H.R. 10 because not only do I favor this legislation but I am privileged to say that I introduced an identical bill—H.R. 5931—earlier in this session.

Prior to doing so, I reviewed the history of this legislation, a history which now dates back 10 years and which I consider to be much too long for such meritorious legislation.

This bill should have been enacted in the 85th Congress when it first passed the House of Representatives. Instead, the self-employed have year after year had to watch the corporate employee coverage increase by at least 1 million individuals per year to the point where the total number covered in tax deferred pension plans now approximates 21 million people.

I find it difficult to understand why there is any opposition to H.R. 10. It seeks to eliminate a glaring inequity in our tax structure. This was confirmed on June 17, 1959, when a spokesman for the Treasury Department stated before the Senate Finance Committee:

> The Treasury recognizes that present law does not give self-employed persons tax treatment for their retirement savings comparable to that now accorded to employees covered by employer-financed pension plans.

It is in the best interest of our country that H.R. 10 be enacted by the 87th Congress.

Mr. KEOGH. Mr. Speaker, I am happy to yield at this time to the gentleman from the Commonwealth of Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I too rise in support of H.R. 10, and to compliment and congratulate the gentleman from New York for his persistency year after year in bringing this matter to the attention of the Congress.

Mr. Speaker, the establishment of voluntary corporate pension plans is a form of initiative that deserves our praise. Under existing law, more than 50,000 such plans have been established, with somewhat more than $40 million in assets. Corporations contribute more than $4 billion per year to qualified retirement plans.

At the same time, however, there are more than 7 million self-employed persons who pay income taxes, but have no pension protection when they reach the age of retirement.

These independent people who rely upon their own abilities to make a living, and who do not enjoy the economic security of working for an organization constitute the creative individualism of our society.

The bill before us will make self-employment somewhat more attractive than at present, compared to employment with a corporation, and will thus help to keep small business strong and independent professional practice thriving.

As the establishment of private retirement plans must make allowable tax deductions for contributions to the support of such plans, it has an effect upon Government revenues, and thus comes within the jurisdiction of the Internal Revenue Code.

That there are many inequities in the Code, as revealed by experience, is painfully apparent. Eventually there must be a major overhaul to eliminate glaring tax privileges for some, and to relieve punitive tax burdens that are placed on others.

To digress for a moment, I would like to point out the way our tax laws discourage creative effort. A writer, for instance, who has prepared and labored for years to produce a successful book, is not entitled to report his income as a capital gain, or to spread it over the years of effort during which he received little or no compensation, but must hand over most of his delayed reward to the Government, taxed as gross income during the year that his work was published.

This observation leads to the partial remedy, at least for pension purposes, provided for the self-employed through H.R. 10, and to extend to them many of the favorable tax benefits present law now provides in the case of qualified retirement plans established by employers for their employees.

More than 7 million self-employed persons, including those engaged in small business and in the professions, are the victims of discrimination because they are not allowed to make tax deductions for the establishment of voluntary pension plans.

If we do not extend fair treatment to them, the well springs of independent energy and venture and creative accomplishment that are vital to a free society will dry up.

We will never reach the "new horizons" unless we provide the reasonable protection that liberates the spirit of enterprise.

H.R. 10 will remove a roadblock that has hindered the millions whose talent and skill and initiative are essential to national progress.

Mr. KEOGH. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Speaker, I join in congratulating the gentleman from New York for his long and thorough work in support of this very worthwhile legislation.

H.R. 10 is a good piece of legislation. Those self-employed in this country who have the wisdom to plan and the initiative to save for their retirement years deserve equal consideration under our laws. The self-employed should have the same opportunities and the same tax treatment as those under qualified tax plans.

Mr. Speaker, I believe that this is sound legislation, and I am happy to lend my support to the efforts of the gentleman from New York and others who are sponsoring this bill. I certainly hope that it will pass both the House and Senate and be signed by the President.

Mr. KEOGH. Mr. Speaker, I yield such time as he may require to the gentleman from New York, Brooklyn, in fact [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I should like to say to the distinguished gentleman from Massachusetts [Mr. LANE] that perhaps this is the year. Many of us have supported this bill a number of times in the past, and we hope this is the year in which it will become law.

The author of this bill, the distinguished gentleman from New York [Mr. KEOGH] is indeed to be commended upon his fine presentation of the particulars of this legislation, which I am sure will now be approved by this House.

Mr. CURTIS of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Speaker, to the new Members of the House I may say that this was first known as the Reed-Keogh bill, later as the Jenkins-Keogh bill and then as the Simpson-Keogh bill. With that preliminary statement, may I say that I strongly support H.R. 10. It has borne that numerical appellation for a good many years, certainly as long as I have been a member of the Committee on Ways and Means, which is a little over 8 years. I believe I am correct in recalling that it has been designated as H.R. 10 since the 82d Congress.

The primary purpose of the bill is to give self-employed persons access to retirement plans on a basis reasonably similar to that accorded corporate employees under existing law. It is purely a matter of equity to give to the 7 million self-employed income taxpayers of the United States at least some semblance of the tax treatment that corporate employees have with respect to providing for their retirement security. I say "some semblance" of equal treatment because this bill contains many

restrictions that are not applicable under existing law in the case of corporate plans. However, we have gone to the extent we can within the bounds of reasonable revenue limitations.

The bill is designed, as far as it can be, to eliminate discrimination and to permit self-employed people, the whole army of self-employed persons, the opportunity to lay aside a little for the twilight days of their lives.

We inserted a $2,500 limitation in this bill. That is, you may deduct from your earnings as self-employed—from your net income from self-employment—up to 10 percent of your self-employment earnings, or $2,500 a year, whichever is the lesser. That is all there is to it, except we place very rigid restrictions on the fund. It can either be with an insurance company or a bank as trustee or with special U.S. Government bonds, which are not transferable, so there cannot be any tax evasion or avoidance under the bill as now drafted.

The $2,500 maximum limitation, in my opinion, is discriminatory and much too small. Eventually we hope to raise it.

The committee report will show on page 5 the Treasury estimate of revenue effect of $325 to $358 million. I agree with the gentleman from New York, I do not believe it will be that high. However, as we state in the committee report, since this bill becomes effective on December 31, 1961, and the plan would not be put into effect fully during the fiscal year 1962, the best estimate we can arrive at on revenue effect in fiscal 1962 would be $125 million.

Now, my esteemed colleague on the committee, the gentleman from Missouri [Mr. CURTIS] who favors the principle of it, says "Let us have it budgeted before we pass it." Listen to me a minute. The way to get this bill budgeted is to pass it and put it into law. The White House is sending messages down here on an average of about once a week; $200 million here, $500 million there, $600 million, and just a few days ago $1.1 billion, that were in nobody's budget originally, but yet they get into the budget. This bill has passed the House twice and gone to the other body where they have talked it to death. There is nothing wrong with the bill, I can assure you. Let us pass it by such a staggering majority here today that when it goes over to the other body, the Members of the other body can look at it on its merits; and when it gets to the White House, it will be by such a tremendous vote of approval that the administration will put it into the budget rather than veto it. I cannot urge upon you too strongly the fairness, the justice, and the equity of H.R. 10.

Mr. KEOGH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. KEOGH].

Mr. CELLER. Mr. Speaker, the gentleman from New York [Mr. KEOGH], my very dear friend and distinguished Member of this House, is to be congratulated for his foresight and ability in bringing forth this bill. I wish to say as one who has been here for many years and who may be deemed chronologically an elder but who is spiritually and culturally rather young, that I am in favor of this bill. I am in favor of it even if I am ineligible because of my chronological age. But, that is no reason why others who are Members of this august body should not be within the purview of this bill, if they are so-called self-employed lawyers. I do hope that the bill will pass overwhelmingly.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. KARTH] 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. KARTH. Mr. Speaker, it is my hope that H.R. 10, the self-employed individual's tax retirement bill will shortly be enacted so that 7 million small businessmen and professional people and also their employees can at last enjoy a measure of equity in respect to provision for their retirement incomes.

During my terms in Congress I have supported the principles of H.R. 10 and indeed I have introduced similar legislation in the belief that the Federal income tax laws discriminated most unfairly against men and women who because of their wish to devote their talents and energies to enterprises of their own choosing were not afforded the same tax advantages enjoyed by high-salaried corporation "employee-managers."

In H.R. 10 we have legislation which I believe effectively sets up safeguards against possible abuses so that we will not be creating new income tax loopholes. This has necessitated writing into the bill's provisions some protective language which has been worked out after consultation with the Treasury Department.

Briefly the legislation allows several alternative approaches by which the self-employed and their employees can provide tax deferred pension plans to fit the particular needs of their businesses.

Self-employed employers with fewer than four employees will be permitted to establish retirement programs to begin at age 59½ but not later than age 70½. These employers may deduct up to 10 percent or $2,500 of their self-employment earnings per year, whichever is smaller, to be deposited in supervised retirement plans. The bill intends also to encourage eligible self-employed persons to establish retirement plans for their employees who have at least 3 years of service, although this is not mandatory.

However, self-employed persons with four or more employees, if they wish to set up a pension program for themselves must also establish one for those of their employees who have 3 years or more of service. For such programs the only limitation on the amount of deductible contributions is that they must be at an identical rate for both the self-employed persons and the employee. Furthermore, in such plans the employee must be granted a vested right in the pension so that his benefits are protected should he leave his job.

The details of the plans have been carefully worked out under Congressman KEOGH's direction. High tribute is owed to Mr. KEOGH for his outstanding and untiring leadership in the long campaign to win equal tax treatment for the millions of men and women who represent the best tradition of the free enterprise system—the great economic engine of our Nation.

I support enactment of H.R. 10 despite the fact that the revenue loss to the Treasury is expected to range from $325 to $358 million in a typical full year of operation. This is a heavy burden to be shifted to other taxpayers at a time when the overall revenue needs are increasing because of our staggering defense requirements.

I believe that the need for equity demands that this be done.

Doing justice, as in this case, sometimes exacts a high price; but, at whatever cost, the economic justice as contemplated by H.R. 10 must be done.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in the body of the RECORD today and also within 5 legislative days.

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

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Speaker, I rise in support of H.R. 10. I am one of the coauthors of the bill and among its illustrious authors of H.R. 10. I have always supported it. I think it is high time that we grant this privilege to the self-employed people, the lawyers, the doctors, the dentists, the shopkeepers, and the farmers throughout the Nation. They will be entitled to establish for themselves a self-employment retirement fund. We have expanded it this year so that no man can take advantage of it for himself unless he will also provide for his employees, provided he has more than three employees for a period of 3 years. I think that is important because many of them were unable to have the retirement program that we have provided for the millions and millions of corporate workers. I might say that the present corporation welfare fund is in excess of $50 billion, which has been in reserve for corporations, upon which income tax has not been paid, and that amounts to about $2 billion a year to the Treasury. If we decide that the self-employed can have a self-employment retirement program, then how is it right for corporate employees to have it at the cost of the self-employed? So, I join with my colleagues, the gentleman from New York [Mr. KEOGH] and the gentleman from Tennessee [Mr. BAKER], in supporting the passage and the immediate passage of H.R. 10. As the gentleman from Tennessee has said, after we pass it, it will be budgeted, and we will not then have the problem before us each session of the Congress.

Mr. CURTIS of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, having also introduced legislation identical to H.R. 10, I, of course, urge its approval here today.

It is particularly gratifying to support legislation which will assist a large group of Americans in providing for their own future well-being, instead of leaning more heavily on government. I believe the principles of this legislation truly reflect the cause which government should serve, helping citizens to help themselves.

In my own State of Vermont, a great many of our citizens proudly carry on small farms and small private businesses. They do not ask what the Government can do for them. They ask only to be able to take care of themselves. This retirement program for self-employed individuals will greatly assist in allowing them to do just this.

I commend the authors of this bill and urge its adoption this afternoon.

Mr. CURTIS of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Speaker, I take this time only to ask two questions: A great many of us are interested in this bill and in the debate; but as I understand it the administration is solidly opposed to this legislation. I should like to ask the Members on the majority side whether that is correct, that the administration is opposed to the bill?

Mr. KEOGH. I do not know the source of the gentleman's information. My own impression is that the Treasury Department this year did not express any opposition to the bill but requested a delay in its consideration. I might, however, in elaboration of the answer, point out to my friend that which I am sure he knows, that the form of the bill pending before the House today includes for the most part all of the recommendations in the field of the self-employed retirement that were made to the Finance Committee of the other body by the Treasury Department in the previous Congress.

Mr. LINDSAY. Can the gentleman then answer this question: If the Treasury Department has asked for delay what are the reasons for the request?

Mr. KEOGH. I have no specific knowledge of the immediate motivation, except they would prefer to have this come in with an overall revision program. But my point about that is that this bill and similar bills have been pending before the Congress now for over 10 years. It seems to me that anyone who recognizes the obvious inequity that exists, anyone who expresses a solemn determination that that inequity should be removed, should have acted before this time.

Mr. LINDSAY. Mr. Speaker, I do not wish to argue that point with my distinguished friend because he may well be right, and I am in substantial agreement with the statement that there is an inequity here. The question I have in my mind is, if the Treasury Department and the administration have doubts about the bill, then it seems to me that the majority has the responsibility in the interest of full debate to tell us what the position of the Treasury Department is, why it has doubts about the bill and why those doubts are not well founded.

Mr. KEOGH. The best answer I can give to the gentleman from New York is that I have no specific information or knowledge of the bases, if any, upon which the Treasury Department's viewpoint is predicated.

Mr. LINDSAY. I thank the gentleman.

Mr. CURTIS of Missouri. Mr. Speaker, I yield the balance of the time to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, it is not my intention to talk at length on this proposal; in fact, the procedure under which this proposal is before the House does not permit either lengthy or even adequate debate. However, I was interested in the colloquy concerning the position of the Treasury Department with respect to this legislation. I sat in the committee in executive session when representatives of the Treasury were testifying. Certainly there was no doubt left in my mind, nor do I think there is any question in the mind of other members of the committee concerning the attitude of the administration and particularly the Treasury Department on this legislation. They opposed it. They also called our attention to some technical defects of significant substance aside from the overall policy factors that they thought we definitely should correct or go into before reporting out the legislation.

Mr. Speaker, I do not think there is any question that we do have tax favoritism existing today in favor of the employed; or put another way, a tax discrimination against the self-employed in the capacity of the latter group to provide for their individual retirement security. I think it is very essential that we do something to correct the discriminatory inequity contained in present law. On the other hand I do not think that we have any justification whatever in admitting—as almost everybody does—that there are details in this bill that need correction but then proceeding to pass the bill as it is. Under those circumstances I do not think we have any justification for saying: "Let the other body do it." It seems to me the responsibility is here in this House; the responsibility is the responsibility of the Committee on Ways and Means in the first instance to report out a bill which we have confidence does not need correcting in some other body.

For that reason, Mr. Speaker, I oppose this legislation. I think what is proposed to be done here is a bad practice. I do not think we are only voting on a principle. We are voting on more than a principle, we are voting on specific legislation, on important details. And in doing so we are admitting that there are defects in the legislation and we are simply relying on the other body to correct them. I think we should take the initiative ourselves and report out a good bill and pass a good bill relating to this important matter of tax equity in the area of retirement security.

Mr. Speaker, I ask unanimous consent to include in my remarks the minority views filed by four members of the committee in connection with this legislation.

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

There was no objection.

The minority views referred to are as follows:

H.R. 10 is concerned with the important subject of the establishment of tax-deferred retirement programs by the self-employed with respect to themselves and their employees. The purported purpose of the legislation is to establish a reasonable identity in the tax treatment of these individuals with respect to retirement plans as is accorded to corporate employees under present law.

The legislation makes a gesture toward tax equity in this area but unfortunately fails to achieve sufficient identity of treatment. Because the bill does not accomplish its intended purpose and because of the present fiscal posture of the Federal Government, the revenue loss from the enactment of the bill estimated by the Treasury Department at $358 million in the first full year of operation cannot be condoned at this time. The signatories to these views urge that the supporters of this legislation endeavor to have it taken into account in future Government budgeting so that its effect on fiscal balance need not be considered as a factor in evaluating the merits of the bill.

We recognize that an inequity does exist in present law in that certain of our citizens are allowed, and others are not, to participate in tax-deferred pension plans. H.R. 10 would not equalize the tax treatment of our citizens in providing for retirement security but would instead result in the existence of different methods of tax treatment operating side by side, each applicable to a different group of taxpayers.

For example, these disparities would either be continued or created under this legislation: (1) Individuals working for self-employed employers not employing as many as four persons could continue to be discriminated against and precluded from participating in a retirement program; (2) contributions with respect to employees would be limited to earned income whereas contributions with respect to the self-employed would be on self-employment income, including both earnings and return on investment in the business; (3) lump-sum distributions in the case of the self-employed would be treated as ordinary income whereas such distributions to employees would be accorded capital gain treatment; (4) the vesting of an interest in a program would vary so that in the case of the self-employed and their employees (if four or more employees) a nonforfeitable right would attach immediately, but in the case of other types of beneficiaries such right may be forfeitable or nonforfeitable; and (5) various sets of limitations affecting coverage, contributions, and distributions would exist under the different statutory tests that would be applicable.

In seeking to ameliorate the present acknowledged discrimination in tax treatment with respect to retirement security, we must necessarily endeavor to achieve substantially similar treatment of all taxpayers. H.R. 10 would create more disparities than it would remove. In the area dealt with by this bill the details are important and we cannot responsibly limit our concern only to basic general principles. It is entirely possible that precedents would be created under this legislation that could potentially unduly restrict programs to be established under the new authority or tend to impair existing programs. The fact that there is a problem to be solved in this area

does not mean that we accept just any solution.

In the above enumeration of disparities reference was made in item (2) to the fact that contributions with respect to employees would be restricted to a percentage relation to earned salaries whereas in the case of the self-employed the restriction would apply to a percentage relation to self-employment income. It is significant to note that $100 million of the $358 million revenue loss is attributable to this more liberal definition of income for the self-employed.

The present version of H.R. 10 contains numerous and significant changes from the versions that have been previously considered by the House. Because this is a different bill, we are of the view that the committee did not give the careful consideration to the changes that they required.

For the above-stated reasons, we are constrained to oppose the enactment of H.R. 10 in its present form.

NOAH M. MASON.
JOHN W. BYRNES.
THOMAS B. CURTIS.
BRUCE ALGER.

Mr. KEOGH. Mr. Speaker, I yield such time as he may consume, not to exceed 30 seconds, to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, I believe this legislation is long overdue. It provides much-needed benefits for employees and self-employed people who have never been covered before. I have not heard any criticism as to the merits of this legislation. Everybody says it is correct in principle. We have gone over it time and time again. This body passed it overwhelmingly in the last Congress. I do not see any reason why we should delay this much needed legislation any longer.

Mr. KEOGH. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. HAGAN].

Mr. HAGAN of Georgia. Mr. Speaker, I certainly would like to associate myself with the remarks that the gentleman from New York made a while ago in his wonderful explanation of this bill. I think I may be just a little bit qualified to speak about this. Being a life member of the Million-Dollar Roundtable, I received a letter from this international organization in January informing me that I am the only member of the organization ever elected to the Congress of the United States. For a number of years, my business was estate analysis, and I have handled many, many matters of this kind. I want to assure you from actual experience that the gentleman is eminently correct in that self-employed people need the attention this bill would give them which is the same privilege that so many others have already been enjoying.

Mr. KEOGH. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. TAYLOR].

Mr. TAYLOR. Mr. Speaker, H.R. 10, which we are considering today, encourages the establishment of voluntary pension plans by self-employed individuals. It gives self-employed persons access to retirement plans similar to those now accorded officials and employees of corporations. It would permit a self-employed person to deduct from his taxable income a sum not to exceed 10 percent of his earnings or $2,500 a year. Taxes would be deferred on this income until the individual retired and started drawing the pension money.

This bill removes a tax inequity which has existed for 19 years. In 1942, Congress passed legislation encouraging employers to establish qualified pension and profit-sharing plans for their employees by granting employers deductions for contributions to such plans and by deferring a tax on the employees until benefits are derived under the plan. At present there are approximately 50,000 such plans governing some 20 million employees.

On the other hand at present some 7 million self-employed persons in this country are not permitted a similar tax deferment on funds placed in a retirement plan. This has caused an inequity which today is penalizing self-employed people such as doctors, dentists, lawyers, accountants, engineers, architects, farmers, and small businessmen who are anxious to make some provision for their own retirement.

This bill will tend to make self-employment more attractive and tend to strengthen small business in America.

We are not pioneers in this field because the principle embodied in this bill has been adopted and enacted into law in Great Britain, Canada, and Australia.

The plan is voluntary leaving the initiative to the individual thus placing the program within the realm of our free enterprise system.

I am supporting this bill because I believe that self-employed persons should have the opportunity of obtaining retirement benefits on substantially the same basis as do corporate owner-managers.

I believe that it is in the public interest to encourage our citizens to help themselves and to provide for their own retirement from their own earnings, by their own planning, rather than to look to Washington for a solution to their retirement problems.

Mr. FOGARTY. Mr. Speaker, for the past several Congresses I have sponsored legislation to encourage the establishment of voluntary pension plans by self-employed individuals. Again earlier in this Congress I introduced a similar bill, H.R. 6910. In doing so, I was adding my voice to the many others who have also offered such bills to correct a discrimination in the present law and to encourage self-employed persons to make provision for their own retirement.

For reasons that I find hard to accept, the group that would be affected by this bill has been overlooked or deliberately ignored in legislation and programs designed to create opportunities and independent living in the later years.

The very fact that more than 7 million persons could establish retirement plans under this bill is convincing evidence of the need for such legislation. Further, this legislation would support and strengthen our fundamental American philosophy of encouraging small business and independent professional practice.

There are those who point to the possible revenue loss under the bill. No one could be more mindful of Government budgeting or the need for fiscal balance than I. However, I strongly object to any tax saving achieved at the expense of any individual or group, especially after it has been identified, and there is almost unanimous agreement that they are unfairly and inequitably treated under the present law.

The implementation and enforcement of this bill will not be easy because of the very nature of the income we are trying to protect. It should be said, however, it would not be any more difficult to administer than many other laws which have been enacted and have served to meet an urgent need or correct a glaring injustice.

It is my sincere hope that this bill will receive your early approval and thereby bring us another step forward in creating and maintaining our form of government, the incentive for individual initiative and equal and fair treatment for all of our citizens.

Mr. ROGERS of Florida. Mr. Speaker, once again I have the privilege of offering my support for legislation which would seek to correct one of the greater inequities in our present tax structure. H.R. 10 is a much needed measure, and its architects are to be commended for their attempts to allow a growing segment of America to take a deduction for investment in the future, namely retirement income.

Serious consideration of this proposal involves a basic question—Why should officials and employees of large, shareholder corporations be exempted from taxation of their retirement benefits as these benefits accrue, while the small, self-employed businessman, professional man, and farmer is subjected to great disadvantage while saving for retirement, a disadvantage which results from the higher tax rate during peak income years, rather than later in life when income is normally reduced?

Perhaps the enactment of this legislation would result in a loss of revenue. Yet, to oppose this measure solely on this basis is to ignore reform needed tax where it is strongly indicated.

I submit that the loss in revenue which would result from passage of this bill is relatively small when compared with the inequities which result in wasteful Government spending. Furthermore, this loss in revenue could be quickly balanced if we dedicated ourselves to correction of excessive Federal spending.

It is for the 7 million self-employed persons who stand to benefit from this legislation that the Congress must act favorably. These people should be allowed to enjoy the same fruits of labor in their declining years as employees who have the present advantage of company-supported retirement plans are now allowed to do.

Passage of this measure will reaffirm our belief in the free enterprise system. Why should the independent businessman, whose prototype made this country the great economic success it is today, be today subject to a tax disadvantage regarding his savings for retirement?

Under this passage, the inherent qualities of success will receive their reward.

Reason itself compels equal treatment for this segment of America's taxpayers, and I sincerely hope that Members of this body will put aside partisan feeling and join with me in support of this nonpartisan measure.

Mr. ALGER. Mr. Speaker, I would like to associate myself with the remarks of my committee colleague, the gentleman from Missouri [Mr. CURTIS]. I support completely the principle of this legislation but I have serious reservations with respect to the mechanics by which the deferment principle would operate. There have been some significant changes made in this bill over last year's version which create some real problems and introduce some precedents that have dangerous implication with respect to existing plans. In view of the program of planned deficit financing to which the present administration seems committed, the bill would impose a deferred tax increase on succeeding generations. The immediate revenue loss which would result from the enactment of this bill, together with the deficit of several billion dollars caused by the administration's spending programs, would serve to only further aggravate inflationary tendencies and the instability of our dollar. We who presented minority views feel this legislation should take into account the budget impact in future Government budgeting so that the fiscal issue need not be a factor in evaluating the merits of the program. Of equal importance, we are convinced that the House, and more particularly the Committee on Ways and Means, should carefully consider the very important details that are involved in the application of this legislation to the retirement plans of this important group of our citizens.

Mr. ANDERSON of Illinois. Mr. Speaker, I rise in support of H.R. 10, which is designed to encourage individuals who are self-employed to establish voluntary retirement programs. I recognize the validity of some of the arguments against H.R. 10, which have been expressed in the minority views. However, I believe that this is a case where, despite some defects in the legislation as written, there is an overriding reason for the passage of this bill.

During the recent presidential campaign, it was former Vice President Nixon who said that the important thing in this country should not be what Government can do for its citizens, but rather what 180 million free Americans can do by working for themselves. This legislation will give the average self-employed American an incentive to plan for his own retirement, by relieving him of at least a small portion of the onerous tax burden that he now bears.

I strongly believe that tax credits and tax remission could become the vehicles whereby individuals could be encouraged to do for themselves many of the things that the proponents of the welfare state would assign to government. Therefore, because I believe so firmly in the principle that is embodied in this bill, I hope that it will receive the approval of the Congress.

It has been indicated during the debate here on the floor today that the administration is opposed to this measure; ostensibly because it will result in an initial loss of tax revenues to the Treasury.

It seems very strange, indeed, that this administration which to date has demonstrated an almost complete disregard for fiscal responsibility should feel strongly about this bill because of its possibe impact on the budget. Indeed, since the President numbers as his advisers in the inner circle men like Schlesinger, Rostow, and Heller, I am inclined to believe that opposition to this measure is founded rather on his dislike for its basic premise. However, I hope that the administration will permit this bill to become law. It will relieve many of the inequities that presently exist, and I hope it will give a forward impetus to the idea that individuals should be encouraged to provide for their own future and not look to bigger government and more bureaucracy for their security.

Mr. LIBONATI. Mr. Speaker, H.R. 10 fulfills most needed legislation for the establishment of voluntary retirement plans for self-employed persons. It is well known that these benefits have been denied to them, even though they contribute as employers to the benefits of employed persons—both under the private plans in all types of industrial and office personnel.

More than 7 million self-employed persons, who pay income taxes, can establish retirement under this bill.

This bill corrects a discrimination in the present law, under which self-employed individuals and partners are prevented from participating in retirement plans established for the benefit of their employees, although owner-managers of corporations may do so.

These self-employed persons, under this bill, have vested benefits on a similar basis as corporation stockholder employees.

To be sure, there are some differences between rules covering retirement plans which include employee pension plans.

If the owner-employee has more than three employees, in order for him to make any contribution for his own retirement needs, he must cover all his employees who have more than 3 years' service. The special rules in the case of an owner-employee, with three or fewer employees, generally involved rigid limitations on the amount of contributions which are made tax deductible.

A nominal loss of an estimated $125 million applicable to the tax-paying years beginning after December 31, 1961, is negligible if compared with the equities involving self-employed persons who are deprived of rights given to other individuals in their employment.

I have introduced H.R. 249, which is similar to H.R. 10. It is my feeling that, under existing law, 50,000 corporation pension plans have been established, covering 20 million, having at this time more than $40 billion in assets in qualified retirement plans. Just because of a revenue loss, those persons who make contributions through investment in the business their life's work, giving the fruition of employment and retirement to others, should not be legislated against for the privilege of employment of financial independence in their own retirement.

A summary of H.R. 249 follows:

Self-Employed Individual's Retirement Act of 1961—Permits self-employed individuals as defined in the Internal Revenue Code to exclude a percentage of their self-employed income to be set aside in a restricted retirement insurance policy or fund for use by the individual at age 65.

Limits such deductions to 10 percent of such income or $5,000 per year with adjustments for those individuals over 50 years of age. Sets a lifetime limit of $50,000 for such deductions and provides for the adjustment of unused deductions, within limits.

Excludes from such plans those individuals who qualify under employer pension or profit-sharing plans.

Sets forth requirements for restricted retirement funds and retirement policies. Provides for inclusion of distributions under such plans as gross income for income tax purposes. Provides for a 10-percent penalty for distribution from such funds prior to age 65. Sets forth provisions for the taxation of the distribution of funds as a result of the death of the individual having such a plan.

Mr. DOOLEY. Mr. Speaker, H.R. 10 and my own bill, H.R. 3976, are of vital importance to approximately 17 million hard-working Americans who, for the most part, constitute the great middle class of our society. These self-employed farmers, small business and professional men and women have been denied an opportunity which, under the law, is granted to virtually every other working individual.

No one can challenge the fact that this is a glaring inequity in our tax structure. Today, a self-employed individual who may be an engineer, a shopkeeper, or any one of the several hundred other self-employed categories, may leave his present field of endeavor and go to work for a corporation and receive every benefit that I would like to give him under this proposed legislation.

It is in the best interest of our country that these self-reliant Americans be encouraged to remain in their chosen vocations. I urge my colleagues on both sides of the aisle to give this remedial legislation the united support which will, I am certain, enhance the prospects of enactment by the Senate and finally the approval of the President.

Mr. UDALL. Mr. Speaker, the House is to be commended for its overwhelming support of H.R. 10. This measure, encouraging the self-employed to establish their own voluntary pension plans, removes a longstanding inequity in our tax laws. It gives to the small businessman, the farmer, and to those engaged in the professions the tax benefits long enjoyed by corporation management. This bill allows self-employed persons to deduct for income tax purposes 10 percent of their incomes up to $2,500 a year, providing the sums are invested in specified types of retirement plans. This program will help the self-employed save some of their hard-earned money for their later years.

Those employers with more than three employees would be required to make available nondiscriminatory pension

plans for their employees in order to make use of the benefits of this bill.

In general, the bill treats self-employed persons as employers of themselves. Like other employers, they would be permitted to deduct limited amounts set aside under retirement plans for their own benefit and amounts set aside for the benefit of their employees.

I will vote in favor of this bill. It is certainly to be hoped that this program becomes law this session of Congress.

Mr. KEOGH. Mr. Speaker, we have no further requests for time on this side. I therefore ask for a vote.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 10, 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.

Mr. PETERSON. Mr. Speaker, the House of Representatives has just passed H.R. 10, which is designed to encourage the establishment of voluntary pension plans by self-employed individuals. I take this occasion to express the hope that in this Congress the measure may receive more favorable consideration than during the two previous Congresses and that it may finally be enrolled as law of the land.

While regreting a possible loss of some $300 million in tax revenues during the first year this statute would be effective, and assuming that the imperative dictates of national security should not unhappily require otherwise, may I suggest that in the long run the loss of revenue to the Government would be relatively inconsequential.

Under the pending legislation these retirement funds for the self-employed still would become taxable at the time of distribution upon retirement of the individual. In essence, it is only an annual tax deferment of funds invested in future retirement benefits up to 10 percent of income or $2,500, whichever is smaller. These limitations are an appropriate safeguard against abuses by those eager to avoid taxes.

Present law provides corporations tax benefits on contributions made to qualified retirement plans for their employees. It is equally important that self-employed individuals—the farmer, the owner of a small business, as well as the professional man, the doctor, the dentist, the lawyer—and there are more than 7 million self-employed in this country—have the same privilege of saving for their retirement.

Corporations receive tax benefits on the more than $4 billion which they contribute annually to employee pension plans. If it is right and justifiable that corporations defer taxes on such funds, should not the same benefits be extended the self-employed individual? This legislation would only give the self-employed equal consideration under our laws.

With the loss to the Government of some $2 billion a year in tax revenues on the corporate contributions made to retirement plans, indirectly the self-employed are sharing some of the tax burden which makes possible the pension plans of corporate employees.

The self-employed are not asking the Government to do anything for them—they are only asking the Government to let them make their own provisions for the time when they must withdraw from active life. They are entitled to pension protection when they reach the age of retirement without being forced to pay taxes twice on the same funds—once when it is earned and invested in retirement, and again at the time of distribution.

A retirement program for the self-employed is just as essential to the health and welfare of a nation as are social security and company retirement plans for the millions of corporate employees.

Mr. KORNEGAY. In my opinion, Mr. Speaker, the Self-Employed Individuals Retirement Act of 1961—H.R. 10—is a very necessary piece of legislation, indeed legislation that in the interests of the national economy and of the national well-being should have been passed long ago. We have been informed that more than 7 million individuals are now operating their own businesses without the benefits and protections accorded the corporations as regards the pension plans and retirement programs which make the years of retirement more secure. These people are not only the lawyers and doctors and other professional people, but are the small businessmen for whom this tax incentive would be a necessary inducement to the establishment of adequate retirement systems, and those who still hold to that part of the American cultural concept that, going back to Jefferson, says that the small independent businessman should always hold a high place in America's hierarchy of values.

It is my considered opinion, Mr. Speaker, that the previously adopted legislation in this field has, through its inequitable treatment of the self-employed from the taxing-power standpoint done much to make less attractive the rewards of self-employment and, concomitantly, much to increase the attractiveness of corporate employment. If this Congress does not provide some remedy to this situation, Mr. Speaker, it will be sadly remiss in its duty to promote and strengthen this basic part of the American way of life.

Now, it has been argued both on the floor of this House and in the Committee on Ways and Means that if H.R. 10 were enacted a loss of $325 to $358 million in revenue for the 1962 fiscal year would result. Your committee, sir, disagreed with this estimate and found that an estimated revenue loss of $125 million was a more accurate one. I believe that the merits of encouraging the voluntary establishment of retirement and pension plans by the self-employed far outweigh the estimated revenue loss that would result from the extending to such self-employed individuals many of the tax benefits that are presently integral to the success of the retirement plans of employers for employees. In addition, I might say that as the funds that would be set aside for future retirement benefits under H.R. 10 would enter the investment stream through either the banks, the insurance companies, or through the purchase of U.S. Government bonds, the stimulation given to business through this availability of funds for capital formation would, doubtlessly, in the long run, more than offset this estimated immediate revenue loss.

Mr. Speaker, I would like to commend the gentleman from New York for his excellent service to the Nation's 7 million self-employed men and women who will be covered by this act. As I said earlier, I regard this as very necessary and proper legislation and in my judgment its passage will be noted and approved, not only by those of us here but by the American public as an instance in which the belief in the future of the small unincorporated business was given salient encouragement.

Mr. CORMAN. Mr. Speaker, this House has given millions of self-employed individuals a well-deserved, long-needed benefit. I refer to the so-called Keogh-Utt bill, to encourage the establishment of voluntary pension plans by self-employed Americans.

Actually, this measure gives these people nothing more than they have deserved for a long time: the right to provide for themselves and their families in future years. For the first time, they will—if this measure becomes law—be able to set aside a portion of their incomes every year as a retirement fund, with the same tax advantages as have long been enjoyed by corporations.

The self-employed worker in America has long been a neglected person. His reward for individual enterprise and thrift has often been harassment, unfair tax treatment, and Government neglect. This bill, H.R. 10, cosponsored by more than 30 Members of this House, and authored by Mr. KEOGH, of New York, and Mr. UTT, of California, will be a giant step in the direction of correcting many past neglects toward the self-employed individual.

The principle of the Keogh-Utt bill is simple. An individual earning, say, $11,000 a year from a corporation and who puts $1,000 of that sum into a voluntary retirement plan, is taxed only on $10,000. His $1,000-a-year retirement donation grows after 30 years with 4 percent interest to $58,300. A self-employed worker earning that same amount, $11,000, and who puts away $1,000 a year for his retirement is taxed on the entire $11,000, which means that he really only sets aside $740. After 30 years, his accumulated fund would only amount to $36,900. He is penalized $21,400 in those three decades. H.R. 10 allows self-employed individuals to be treated as their own employers and employees, thus putting them under existing legislation relating to nondiscriminatory, tax-favored retirement plans.

It is hoped that this measure, so long sought by the self-employed and by this Congress, will do much to eliminate and encourage small businesses from coast to coast, for these are the backbone of our free enterprise economy. I salute the wisdom of those who authored, sponsored, and voted for the passage of H.R. 10.

U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-42, in addition to the gentleman from New Jersey [Mr. GALLAGHER] chairman; the gentlewoman from New York [Mrs. KELLY], the gentleman from Massachusetts [Mr. CURTIS], and the gentleman from Michigan [Mr. BROOMFIELD], who were appointed to serve for the 87th Congress, the Chair appoints as members of the U.S. delegation of the Canada-United States Interparliamentary Group for the meeting to be held in the District of Columbia, commencing on June 8, 1961, the following Members on the part of the House: Mr. YATES, Mr. IKARD of Texas, Mr. DULSKI, Mr. PHILBIN, Mr. STRATTON, Mr. CUNNINGHAM, Mr. HARVEY of Michigan, and Mr. TUPPER.

PROVIDING INCREASED COMPENSATION FOR SERVICE-CONNECTED DISABLED VETERANS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 879) to increase rates of wartime disability compensation by amending section 314 (a) through (j) of title 38, United States Code, 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 (a) section 314 of title 38, United States Code, is amended—

(1) by striking out "$19" in subsection (a) and inserting in lieu thereof "$20";

(2) by striking out "$36" in subsection (b) and inserting in lieu thereof "$38";

(3) by striking out "$55" in subsection (c) and inserting in lieu thereof "$58";

(4) by striking out "$73" in subsection (d) and inserting in lieu thereof "$77";

(5) by striking out "$100" in subsection (e) and inserting in lieu thereof "$106";

(6) by striking out "$120" in subsection (f) and inserting in lieu thereof "$127";

(7) by striking out "$140" in subsection (g) and inserting in lieu thereof "$148";

(8) by striking out "$160" in subsection (h) and inserting in lieu thereof "$169";

(9) by striking out "$179" in subsection (i) and inserting in lieu thereof "$190";

(10) by striking out "$225" in subsection (j) and inserting in lieu thereof "$245";

(11) by striking out "$450" in subsections (k), (o), and (p) and inserting in lieu thereof "$500";

(12) by striking out "$309" in subsection (l) and inserting in lieu thereof "$335";

(13) by striking out "$359" in subsection (m) and inserting in lieu thereof "$385";

(14) by striking out "$401" in subsection (n) and inserting in lieu thereof "$435";

(15) by striking out "$150" in subsection (r) and inserting in lieu thereof "$200"; and

(16) by striking out "$265" in subsection (s) and inserting in lieu thereof "$285".

(b) The Administrator may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation pursuant to chapter 11 of title 38, United States Code.

SEC. 2. (a) Subsection (r) of section 314 of title 38, United States Code, is further amended by striking out "for all periods during which he is not hospitalized at Government expense" and inserting in lieu thereof the following: ", subject to the limitations of section 3203(f) of this title".

(b) Section 3203 of title 38, United States Code, is amended by adding at the end thereof the following:

"(f) Where any veteran in receipt of an aid and attendance allowance described in section 314(r) of this title is hospitalized at Government expense, such allowance shall be discontinued from the first day of the second calendar month which begins after the date of his admission for such hospitalization for so long as such hospitalization continues. In case a veteran covered by this subsection leaves a hospital against medical advice and is thereafter readmitted to hospitalization, such allowance shall be discontinued from the date of such readmission for so long as such hospitalization continues."

SEC. 3. Section 312(4) of title 38, United States Code, is amended by striking out "three" and inserting in lieu thereof "seven".

SEC. 4. This Act shall take effect on the first day of the second calendar month which begins after the date of enactment of this Act, but no payments shall be made by reason of this Act for any period before such effective date.

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. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD.

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

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, the bill seeks to provide increases in the rates of service-connected disability compensation to reflect the changes which have occurred in the cost of living since the last compensation increase in 1957 was enacted, as well as to more adequately compensate our seriously disabled veterans.

Since the last compensation increase in 1957 there has occurred a 5.4-percent increase in the cost of living. The bill, as reported by the committee, provides increases ranging from 5.3 percent to 8.9 percent in the disability compensation rates payable to veterans disabled 10 to 100 percent. For those veterans receiving or entitled to receive one of the statutory award rates other than (k) or (q), the increases range from 7.5 percent to 16.7 percent. The overall average increase provided by the bill is approximately 9.2 percent. All of the rates for service-connected compensation have been increased with the exceptions noted above of the statutory award rate of $47 a month, which is in addition to the basic rates of compensation.

The exact effect on the individual cases—1,934,509—showing the numbers involved and the percentage of increase for each rating and the total cost of the bill, is shown by the table which follows:

Degree and paragraph	Cases, wartime	Cases, peacetime	Current wartime rate	H.R. 879 as reported	Percent of increase, H.R. 879 as reported, over current rate	Current peacetime rate	H.R. 879 as reported, peacetime rate	Total costs, H.R. 879 as reported
10(a)	752,739	47,724	$19	$20	5.3	$15	$16	$9,605,556
20(b)	285,824	14,410	36	38	5.6	29	30	7,032,696
30(c)	271,120	15,985	55	58	5.5	44	46	10,143,960
40(d)	157,989	6,866	73	77	5.5	58	62	7,913,040
50(e)	105,202	4,885	100	106	6.0	80	85	7,867,644
60(f)	82,416	4,090	120	127	5.8	96	102	7,217,424
70(g)	41,203	2,180	140	148	5.7	112	118	4,112,448
80(h)	25,261	1,010	160	169	5.6	128	135	2,813,028
90(i)	7,122	190	179	190	6.1	143	152	960,624
100(j)	74,987	9,626	225	245	8.9	180	196	19,845,072
(l)	2,775	292	309	335	8.4	247	268	939,384
(m)	2,094	295	359	385	7.2	287	308	727,668
(n)	377	16	401	435	8.5	321	348	159,000
(o)	142	45	450	500	11.1	360	400	106,800
(p)	2,194	160						1,393,200
(q)+(r)	3,085	705	150(600)	200(700)	16.7	480	560	4,378,800
(s)	10,600	900	265	285	7.5	212	228	2,716,800
Total								87,933,144

(k) Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, rates (a) to (j) increased monthly by ($47 additional to basic compensation paid monthly for veteran with these disabilities; this $47 rate unchanged).

Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to requirement for any of rates in (l) to (n), rate increased monthly for each loss or loss of use by ($47 additional to basic compensation paid monthly for veteran with these disabilities; this $47 rate unchanged).

(l) Anatomical loss, or loss of use of both hands, or both feet, or 1 hand and 1 foot, or blind both eyes with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, monthly compensation.

(m) Anatomical loss, or loss of use of 2 extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place or has suffered blindness in both eyes having only light perception, or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, monthly compensation.

(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthetic appliance, or suffered anatomical loss of both eyes, monthly compensation.

(o) Suffered disability under conditions which would entitle him to 2 or more rates in (l) to (n), no condition being considered twice, or suffered total deafness in combination with total blindness with 5/200 visual acuity or less, monthly compensation.

(p) In event disabled person's service-incurred disabilities exceed requirements for any of rates prescribed, Administrator, in his discretion, may allow next higher rate, or intermediate rate, but in no event in excess of $450.

(q) Minimum rate for arrested tuberculosis. (This $67 monthly rate is unchanged.)

(r) If entitled to compensation under (o), or the maximum rate under (p), and in need of regular aid and attendance, while not hospitalized at Government expense, additional monthly aid and attendance allowance.

(s) If totally disabled and (1) has additional disability independently rated at 60 per centum or more, or, (2) is permanently housebound.

Section 2 of the bill provides that a veteran who is receiving the statutory award of $450 monthly, the most seriously disabled veteran, and who is also receiving $150 additional payment if he is not in the hospital may have his compensation continue until the first day of the second month which begins after his hospitalization. Today the added compensation of $150 a month is discontinued immediately upon his admission to the hospital. The committee believes it is unwise to penalize the veterans in this fashion since good medical practice requires these veterans to report to a hospital whenever they are in need of such care without suffering a financial loss. Advice received from the Veterans' Administration indicates there would be no great cost administratively or otherwise as a result of this section.

Section 3 increases the presumptive period for multiple sclerosis from 3 to 7 years. While the Veterans' Administration is opposed to this type of proposal, the committee took this action based on the recommendation of the National Institutes of Health. The committee believes the scientific studies of this agency and its finding fully support the action taken. A letter from the National Institutes of Health is reproduced below:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE, NATIONAL INSTITUTES OF HEALTH,
Bethesda, Md., May 16, 1961.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of May 9, I have consulted with members of our scientific staff. It is their opinion that 7 years is not an unreasonable period to recognize as the interval between onset and diagnosis in multiple sclerosis. Under these conditions, the committee would be justified in enacting legislation providing for a 7-year presumptive period for this disease.

Sincerely yours,
RICHARD L. MASLAND, M.D.,
Director, National Institute of Neurological Diseases and Blindness.

The gentleman from New Jersey [Mr. WALLHAUSER] first called this matter to the attention of the committee when he inserted a statement on his proposal in the record during the course of the hearings on compensation before the Subcommittee on Compensation and Pensions. This indicated by the following correspondence and statement:

STATEMENT OF HON. GEORGE M. WALLHAUSER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. Chairman, I wish to thank you and the members of this subcommittee for allowing me the opportunity of submitting a statement in support of H.R. 2082, to amend the Veterans' Benefits Act of 1957 with respect to service connection of multiple sclerosis for an additional 4 years. This bill proposes to extend the presumptive period so that it will conform to highly respected and responsible medical opinion which indicates that the average number of years from first symptoms to diagnosis is 7.2 years.

It may not be necessary to remind the members of the subcommittee of the insidiousness of the disease but for the record I wish to note here that medical opinion has stated that the onset of multiple sclerosis is very often unnoticed by the patient himself, his relatives, and even by the general practitioner in the event that he sees the patient in early stages of the disease. Early warning signs are slurred speech, along with tingling sensations and numbness, poor coordination, especially in walking, and double vision. However, it should be noted a person with multiple sclerosis does not always have all of these symptoms, and someone having one or more may not have multiple sclerosis. Furthermore, and I wish to stress this point, many multiple sclerosis patients have remissions, periods of months or even years during which the symptoms disappear and the individual appears to be well.

Mr. Chairman, an outstanding authority, Dr. Thomas L. Willmon, medical and scientific director, National Multiple Sclerosis Society, has made the following statement to Mr. John W. Bill, national service officer of the Disabled American Veterans, in Newark, N.J., at his request:

"As you must know, the medical literature on multiple sclerosis makes many references to the fact that the diagnosis of this disease is a difficult one and subject to delays until it has progressed to the point that the physician may be certain that he is dealing with multiple sclerosis and not one of the many other conditions which may have to be considered in the differential diagnosis.

"I believe the best reference which you may make is the excellent study made by A. R. MacLean and Berkson, Jr., which appeared in the Journal of the American Medical Association, 1951, 146, 1367. * * * In their study of 418 cases they found that an average of 7.2 years had elapsed between the onset of the symptoms and the time the actual diagnosis was made. * * * I could only say additionally that in talking with many people who have multiple sclerosis I find that such a lapse as MacLean and Berkson describe is not only common but usual."

I have asked the National Institute of Neurological Diseases within the Public Health Service to furnish me information concerning the latest findings of its research of this point, and with your permission, I will submit the information upon receipt of it for the subcommittee's consideration.

Thank you, Mr. Chairman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 5, 1961.

Hon. OLIN E. TEAGUE,
Chairman, House Veterans' Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In the statement I submitted to the committee in support of H.R. 2082 to amend the Veterans' Benefits Act of 1957 with respect to service connection of multiple sclerosis for an additional 4 years, I referred to my request of the National Institute of Neurological Diseases to furnish me additional information as to the number of years from onset to diagnosis.

I enclose herewith for the record copy of the reply to my letter from Dr. Richard L. Masland, Director of the National Institute of Neurological Diseases and Blindness.

With appreciation for your courtesy and cooperation, I am,

Sincerely,
GEORGE M. WALLHAUSER,
Member of Congress.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
NATIONAL INSTITUTES OF HEALTH,
Bethesda, Md., May 3, 1961.

Hon. GEORGE M. WALLHAUSER,
House of Representatives,
Washington, D.C.

DEAR MR. WALLHAUSER: This is in answer to your letter of April 24 concerning H.R. 2082 and a copy of your statement to the House Veterans' Affairs Committee.

Dr. Thomas L. Willmon, medical and research director at the National Multiple Sclerosis Society, is in an excellent position to review all the published scientific data as well as incidence statistics and time-lag data relating to onset and diagnosis of multiple sclerosis.

I have discussed with Institute scientists Dr. Willmon's reference to the study by MacLean and Berkson appearing in the Journal of the American Medical Association. Institute scientists have said that the time lag does differ with people but that 7 years is not an unreasonable period between onset and diagnosis.

I hope this further information will be helpful.

Sincerely yours,
RICHARD L. MASLAND, M.D.,
Director, National Institute of Neurological Diseases and Blindness.

Mr. W. O. Cooper, national commander, Disabled American Veterans: "The Disabled American Veterans supports H.R. 879 and urges its passage by the House of Representatives. We appreciate the President's support and the action of the Veterans' Affairs Committee in recognizing the need for increased compensation for the disabled veterans of America."

Mr. Ted C. Connell, commander in chief, Veterans of Foreign Wars: "Veterans of Foreign Wars supports H.R. 879 and urges its passage by the House of Representatives. We recognize the need for a cost-of-living increase to veterans in America who are drawing compensation. Veterans of Foreign Wars is appreciative of the prompt action by the President and the Veterans' Affairs Committee in bringing this much needed legislation before the Congress and urges its speedy passage."

Mr. Harold Russell, national commander, AMVETS: "Increases in the cost of living have made adjustments in the rates of compensation for the Nation's war disabled essential. H.R. 879 will authorize equitable increases in compensation rates. We, of AMVETS, endorse it wholeheartedly and urge its approval by the House of Representatives."

BILLS WHICH HAVE BEEN PASSED DURING THE FIRST SESSION OF THIS CONGRESS AFFECTING SERVICE-CONNECTED CASES

H.R. 846 provides a statutory award for veterans who are totally deaf in both ears. The rate today is $180 or 80 percent. This would give a veteran a total monthly income of $207. It is estimated to affect 900 cases at a cost of $506,000 the first year.

H.R. 848 provides vocational rehabilitation for service-connected veterans serving on and after January 31, 1955, and the interim period between the Korean war and World War II. The cases affected and the cost follows:

Year:	No. of Cases	Cost
1962	3,900	$11,500,000
1963	7,700	20,100,000
1964	9,500	24,240,000
1965	9,600	24,180,000
1966	9,100	22,800,000
Total	39,800	102,820,000

H.R. 861 authorizes a lump-sum payment representing the monthly statutory award of $47 for loss or loss of use of a creative organ, since the date of enactment of Public Law 427, August 1, 1952. The cost of this measure is $750,000.

H.R. 873 authorizes the payment of a statutory award of $47 for each loss or loss of the use of as specified in the basic rates of disability compensation, thus the loss of an eye in combination with the loss of a limb.

Four hundred and fifty veterans involved at an annual cost of $200,000.

H.R. 879 increases the rates of compensation for service-connected disabled veterans. Cases affected will be 1,934,509 at a cost of $87,933,144.

Bill reported and pending on Union Calendar: H.R. 2417 provides increase in dependency and indemnity compensation for parents and children of deceased veterans. Cases affected will be 40,200 parents and 79,200 children at a cost of $7,535,000.

Section 4 of the bill provides that increases granted shall be effective on the first day of the second calendar month which begins after the date of enactment.

The first year cost of this bill is $87,933,144, as indicated in more detail in the table previously referred to.

Hearings were held before the Subcommittee on Compensation and Pensions on April 25, 26, and 27, and May 10, 1961, on 64 compensation bills. I desire to express my appreciation to the gentleman from South Carolina, the chairman of the subcommittee, Mr. DORN, for his cooperation and assistance in this matter.

The President had submitted a proposal drafted in the Veterans' Administration providing a smaller increase, at a total cost of approximately $65 million.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of Texas. I am very glad to yield to my colleague.

Mr. VAN ZANDT. I realize the bill itself will provide an increase of benefits to service-connected veterans, but I am wondering whether or not the gentleman's committee is going to give consideration to increasing benefits for nonservice-connected veterans.

Mr. TEAGUE of Texas. The House Committee on Veterans' Affairs will hold hearings on the whole field of non-service-connected pensions soon.

Mr. VAN ZANDT. I thank the gentleman.

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

Mr. TEAGUE of Texas. I am very glad to yield to my colleague from Massachusetts.

Mr. LANE. Mr. Speaker, there is ample precedent to support the present bill that calls for an increase in compensation for service-connected disabled veterans. On a number of occasions since 1933, Congress has responded to the need for making upward adjustments in the rates so that they would not shrivel into token payments in relation to the steady rise in the cost of living.

The table on page 4 of the favorable report accompanying H.R. 879 gives a factual history of compensation increases. After the last increase of October 1957, the accumulated increase since 1933, covering the regular rates from 10 to 100 percent—but exclusive of the statutory awards—was approximately 90.97.

If we average all categories, the total increase would drop a few points. This falls considerably short of the rise in the cost of living since 1933, even after adding the modest increases provided by H.R. 879.

The committee, following the policy established by the 82d Congress, recommends proportionately higher increases for those who are 50 percent or more disabled. The President, the Veterans' Administration, and the Committee on Veterans' Affairs are in agreement that there should be greater relief for veterans with the more severe service-connected disabilities.

Another feature of this bill applies to those veterans who are especially in need of our understanding and help. I am personally familiar with several such cases in my constituency. Suffering from a disease whose cause, and inevitable disabling effects were little known until recent times, these veterans have found it almost impossible to establish service connection, and as a result have been denied compensation. "Why does a man with a minor disability of 10 percent that does not interfere with his ability to earn a living, have his claim approved so easily, while I, with a progressively worsening condition that will make it impossible for me to work, find it hard to qualify for service-connected disability compensation?"

I had no answer to their bitter disappointment in the failure of the Government to provide assistance adequate to their needs, except to say that it was up to the medical authorities.

There was encouraging news in the following letter of May 16, 1961, that was sent to the committee by Richard L. Masland, M.D., Director, National Institute of Neurological Diseases and Blindness.

Dear Mr. Chairman: In response to your letter of May 9, I have consulted with members of our scientific staff. It is their opinion that 7 years is not an unreasonable period to recognize as the interval between onset and diagnosis of multiple sclerosis. Under these conditions, the committee would be justified in enacting legislation providing for a 7-year presumptive period for this disease.

This recommendation, in particular, is consistent with President Kennedy's statement that "the American people have traditionally insisted that those veterans who were injured in the service of their Nation be treated justly and humanely, a policy which will be carried out by this administration."

Considering all the provisions of H.R. 879, I think it may be said that they are modest, reasonable, and necessary. They are in line with the obligation of the U.S. Government to compensate in part those who have become disabled as a result of their military service in the protection of our Nation.

Mr. SAYLOR. Mr. Speaker, this is a bill which I think should have the unanimous support of all Members of the House. The Committee on Veterans' Affairs under the subcommittee chairmanship of the gentleman from South Carolina [Mr. DORN] heard all those who are interested in compensation for service-connected veterans. We have worked out what I believe is a very fair and equitable bill. The full Committee on Veterans' Affairs, as our chairman said, reported this bill out unanimously after a full discussion. It is a bill which, I think, will eliminate some of the inequities that presently exist in the law and the provisions of this bill will be of benefit to all those who bear the wounds of service-connected disabilities. I certainly hope the bill will be passed unanimously.

Mr. Speaker, I have no further requests for time.

Mr. RANDALL. Mr. Speaker, as it was necessary to be out of the city on an assignment for another committee, I was unable to attend all the subcommittee hearings on H.R. 879 which led to its favorable report from the House Veterans' Affairs Committee. However, as a member of the full committee, I have carefully considered the bill and the report which accompanied the bill.

Accordingly we wish to be recorded very plainly that we are in favor of this measure and take this opportunity to express our views in affirmation of these changes in compensation.

The last compensation increase was made in 1957. Since that time the cost of living has increased 5.4 percent. H.R. 879 provides an increase in compensation for service-connected disabled veterans at the rate of 5.3 percent; and up to 8.9 percent for veterans who are disabled from 10 to 100 percent.

The policy first started in the 82d Congress was followed by the committee in reporting this measure, in that veterans with less than a 50-percent disablement were given a 5-percent increase, while those who were 50 percent or more disabled were increased by 15 percent.

I am sure we must all be in agreement that there should be greater relief for veterans with more service-connected disability. This is of paramount importance. All along the line, both in wage contracts in private industry and in the civil service, there has been recent recognition of the rise in the cost of living. This is so common that when there is a wage agreement, it is written into the contract and termed what is known as a cost-of-living escalator. Last year in the Federal service, the Congress recognized the necessity of an adjustment in the pay of all postal workers.

Here, now, today we are trying to do justice to this group of disabled veterans. It is only fair and right that their compensation be increased by at least those percentage points fixed as the actual increase in cost of living. Mr. Speaker, I rise in support of H.R. 879 and urge every colleague here on the floor today to lend his support to this bill.

Mr. ADDABBO. Mr. Speaker, as a member of the Committee on Veterans' Affairs I want to support wholeheartedly the bill H.R. 879, which provides for an approximate 9.2-percent increase in the rates of service-connected compensation for our disabled service-connected veterans.

Since the last compensation bill was passed in 1957 there has been a 5.4-percent increase in the cost of living. The bill as reported by the committee and passed by the House increases the rates from a low of 5.3 percent to a high of 16.7 percent. The overall increase, as I have already indicated, was 9.2 percent. It will affect nearly 2 million individuals—1,934,000.

In addition, the bill has two other important sections. It increases the multiple sclerosis presumptive period from the present 3 years to 7 years, and this was done upon the recommendation of the National Institutes of Health.

It also provides that our more severely disabled veterans, those who have lost all four extremities, as an example, and who are receiving the $150 a month additional compensation while they are not hospitalized at Government expense, will only lose this compensation when they go back into a hospital beginning the first day of the second month after the hospitalization begins. Today they lose this extra compensation beginning from the first day of hospitalization. The committee believes, and I concur, that this is unrealistic.

The overall cost of the bill is slightly less than $88 million—$87,933,000. The measure is supported enthusiastically by the Disabled American Veterans, the Veterans of Foreign Wars, and AMVETS.

Mrs. HANSEN. I wish to associate myself with my colleague, the Honorable OLIN E. TEAGUE of Texas, in support of the bill (H.R. 879) to increase rates of wartime disability compensation by amendment. Obviously, if the spirit of the original legislation is to be carried out, the rate of compensation must be adjusted in accordance with the 5.4-percent increase in the cost of living since the last compensation increase. That spirit, which is shared by every American, would not deny just and humane treatment to veterans who were injured in the service of their country; nor should it permit a reduction in the degree of our consideration for veterans through the failure of Congress to make the adjustments proposed by this bill.

Mr. HARSHA. Mr. Speaker, I rise in support of the bill, H.R. 879, which increases the rates of service-connected compensation for our disabled veterans.

I had previously introduced two bills, H.R. 5669 and H.R. 5670, which provided for much more generous increases for our disabled veterans than that provided in the bill now being considered, however, I am pleased to see the progress made in this field even though it is small.

I am deeply concerned with the adverse results of war and its aftermath upon those who served our country and I have viewed with much alarm the upward spiral of living costs and its effect upon disabled veterans and their fixed incomes. As the cost of living rises the purchasing power of compensation payments declines and this brings about a constant decline in the living standards of America's disabled veterans.

H.R. 879 would provide much needed disability compensation increases for service-connected disability and enable the veterans involved to cope more adequately with the ever mounting costs of essential housing, food, and other critical items necessary to maintain body and soul together.

The last general compensation increase was in 1957 and as I understand it, it did not include the statutory awards. Since that time there has been a substantial advance in the cost of living and with all the duties and responsibilities assumed by the United States as leader of the free world all of which entails continuing outlays of Government funds, can anyone seriously doubt that the upward swing in living costs will continue for an indefinite period of time long into the future.

The President has asked for large sums of money to help feed, clothe, educate, and raise the standard of living for underprivileged countries. Is it not our primary responsibility to first take care of these veterans who so ably served our country in order that it might remain free and able to help others?

Congress has already passed an increase in the minimum wage law from 15 to 25 percent over the next 4 years, presumably for workers who are not disabled and on the basis that everyone is entitled to a decent living wage. Surely our disabled veterans are entitled to no less. Certainly we should strive to bring about an increase in the living standards of America's disabled. The time has come when something must be done to relieve their plight and it should be done now. It is my firm belief that H.R. 879, with its modest increase of the compensation rates, constitutes part of the answer to this problem.

This Congress has already passed a large Latin America appropriation bill running into the millions of dollars and I have considerable doubt, if the time ever came to join in with the United States in a defeat of communism, what these Latin American countries would do. However, I have no doubt whatsoever what these veterans would do as their position has already been proven. Certainly, if we can see fit to aid such other countries, we can justify this modest expenditure to help those who have helped us maintain our standard of living. These men have given of their very life and limb to protect your country and mine to see that we have the freedom we now enjoy and the many luxuries we are privileged to have. Surely, these veterans, above all others, are entitled to our support.

Although I would like to have seen a greater increase provided for our service-connected, disabled veterans, I am pleased to support the passage of this bill and it is my sincere hope that the Senate will see fit to move on this legislation immediately and, if possible, to liberalize the rates even further.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill (H.R. 879) to increase rates of wartime disability compensation by amending section 314 (a) through (j) of title 38, United States Code?

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.

The title of the bill was amended to read: "A bill to amend title 38, United States Code, to provide increases in rates of disability compensation, and for other purposes."

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, the passage of this important legislation is gratifying and I commend the chairman, the gentleman from Texas [Mr. TEAGUE], and all members of the committee for the constructive interest that they have taken in adjusting the compensation for service-connected disabled veterans.

I am particularly grateful about the inclusion of section 3 of the bill, which increases the presumptive period for multiple sclerosis from 3 to 7 years.

This section accomplishes the result sought by my bill H.R. 2082, which I introduced on January 6, 1961, and which provided a 7-year presumptive period.

Highly respected and responsible medical experts indicate that the average number of years from the first symptoms to diagnosis of this dread disease is 7.2 years. The onset of multiple sclerosis is very often unnoticed by the patient himself, his relatives, and even the general practitioner in the event that he sees the patient in the early stages of the disease. Early warning signs are slurred speech, along with tingling sensations and numbness, poor coordination, especially in walking, and double vision. However, it should be noted that persons with multiple sclerosis do not always have all of these symptoms, and someone having one or more may not even have this disease.

Furthermore, and I wish to stress this point, many multiple sclerosis patients have "remissions" periods of months, or even years, during which the symptoms disappear and the individual appears to be well.

Mr. Speaker, an outstanding authority, Dr. Thomas L. Willmon, medical and scientific director, National Multiple Sclerosis Society, has made the following statement to Mr. John W. Bill, national service officer of the Disabled American Veterans, in Newark, N.J., a longtime advocate of this legislation, at his request:

> As you must know, the medical literature on multiple sclerosis makes many references to the fact that the diagnosis of this disease is a difficult one and subject to delays until it has progressed to the point that the physician may be certain that he is dealing with multiple sclerosis and not one of the many other conditions which may have to be considered in the differential diagnosis.
>
> I believe the best reference which you may make is the excellent study made by MacLean, A. R., and Berkson, Jr., which appeared in the Journal of the American Medical Association 1951, 146, 1367. * * * In their study of 418 cases they found that an average of 7.2 years had elapsed between the onset of the symptoms and the time the actual diagnosis was made. * * * I could only say additionally that in talking with many people who have multiple sclerosis I find that such a lapse as MacLean and Berkson describe is not only common but usual.

I was gratified to receive a signed letter from Dr. Richard L. Masland, Direc-

tor, National Institute of Neurological Diseases and Blindness in which he advised me that "Institute scientists have said that the timelag does differ with people, but that 7 years is not an unreasonable period between onset and diagnosis."

The inclusion of this section in H.R. 879 will, in my opinion, and, more importantly, in the opinion of medical experts, correct a situation that should not exist in connection with this dread disease and its relations to our veterans who suffer from it.

Mr. PETERSON. Mr. Speaker, I take this opportunity to express my views in affirmation of the action taken in the House of Representatives establishing more equitable provisions for wartime disability compensation (H.R. 879).

Increases in the cost of living since the last adjustment by the Congress in 1957 made it imperative that relief be expedited for those veterans who bore the fierce heat of battle and were casualties in their country's cause.

I wish particularly to commend the chairman of the Committee on Veterans' Affairs, the gentleman from Texas [Mr. TEAGUE], and members of that committee for their judicious and speedy action in recommending favorable consideration of legislation which not only offsets recent steady increases in the cost of living, but provides more appropriate relief for the nearly 9,000 veterans and former members of the Armed Forces in my State of Utah beset by serious service-connected disabilities.

Of special importance to the large number of our veterans now stricken with the dread malady of multiple sclerosis, is remedial action on a regrettable situation which has existed too long. My reference is to the fact that pending legislation, as passed by the House, would extend the presumptive period for service-connected disability so grave in nature from the present 3 to 7 years.

I take pride in the action of the committee extending this presumptive period for so unfortunate a group of our defenders in the face of departmental opposition of the Veterans' Administration. Medical science can provide us with no foolproof timetable as to how long the incubation period is before a crippling disorder of this kind assumes dominance, but the National Institutes of Health report that a period of 7 years is compatible with the conclusions of respected, responsible medical experts, and scientific studies.

This is in line with the desires of all American people to do what is fair, humane, and just for those who gave so much of themselves.

AMENDING THE VIRGIN ISLANDS CORPORATION ACT

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4750) to amend section 6(a) of the Virgin Islands Corporation Act, with an amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 6 of the Virgin Islands Corporation Act (63 Stat. 350, 353), as amended (48 U.S.C. 1407e(a)), is further amended by striking out the figure "$11,000,000" in both places where it appears therein and inserting in lieu thereof the figure *"$13,500,000"*.

The SPEAKER pro tempore. 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. O'BRIEN of New York. Mr. Speaker, this is a simple and I hope noncontroversial bill. It raises the borrowing power of the Virgin Islands Corporation by $2,500,000, the money to be spent entirely for the purchase of electrical generating equipment in order to take care of the increased power load in the next 2 years. As we know, there has been something of a boom in the Virgin Islands. The demand for electric power has been enormous.

The Virgin Islands Corporation has about exhausted its borrowing capacity.

The bill as presented to the committee originally would have increased the borrowing capacity by $9 million. The committee reduced this to $2,500,000, because there is some sentiment in the committee for liquidation of the Virgin Islands Corporation.

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

Mr. O'BRIEN of New York. I yield.

Mr. GROSS. Is there any requirement that the electrical generating equipment must be purchased in the United States?

Mr. O'BRIEN of New York. Not in this bill; no.

Mr. GROSS. This is not a loan, but this is in the nature of legislation to increase the borrowing capacity of the Virgin Islands Corporation itself?

Mr. O'BRIEN of New York. Yes; that is correct.

Mr. GROSS. But there is no provision that the equipment be purchased in this country?

Mr. O'BRIEN of New York. No, there is not.

Mr. GROSS. I thank the gentleman.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill (H.R. 4750) to amend section 6(a) of the Virgin Islands Corporation Act, 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.

SOME ROOTS OF THE PEACE CORPS

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have the honor to introduce today, along with the distinguished chairman of the House Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], and other members, the legislation to establish the Peace Corps on a permanent basis.

The House can take particular pride in the Peace Corps because we pioneered the legislation last year to set up a study of the feasibility and practicability of the Corps.

Young Americans have been much criticized for their alleged apathy and lethargy and conformity. The novelist John Dos Passos, is critical of them in his current novel, "Mid Century":

> Nobody has ever told them, except to get more and do less. Nobody has ever told them that to be an American meant anything more than to look at the comics and to drive around the roads in a new automobile.

If there is any truth in this criticism of young Americans, may the fault not lie with the rest of us? Until the Peace Corps, have we given our young people any real chance to participate in the great adventure of the age—the worldwide revolution of rising expectations—other than as future taxpayers?

Since the Peace Corps was set up on a pilot basis 3 months ago, thousands of young Americans have seen it as their way to serve their country. The new spirit abroad in the land inspired a visitor to this country from India to say the other day:

> I have seen a spiritual surge, a quest for values, something I did not expect and will never forget. It is as if Americans are anxious to do the right thing, an urge to justify their conduct. This appeals to me, for in my country men attach great importance to the spirit.

The Peace Corps bill, and its explanation, has been discussed at length in the CONGRESSIONAL RECORD for last Thursday by Senator HUMPHREY of Minnesota—CONGRESSIONAL RECORD pages 9287–9302. For those who may be interested in some of the roots of the Peace Corps in American history and thought, I should like to speak of the missionary movement, the frontier of Frederick Jackson Turner, the appeal to youth of Ralph Waldo Emerson, the simple life of Henry David Thoreau, the strenuous life of Theodore Roosevelt, "The Moral Equivalent of War" of William James, and the world fellowship of Franklin D. Roosevelt. Each idea has played its part in the fashioning of the Peace Corps.

THE MISSIONARY MOVEMENT

The American missionary movement, as old as the Republic, has increasingly demonstrated an interest not simply in religious conversion, but in a broad humanitarianism. Education and medical care absorb the principal effort of the 33,000 Americans now actively participating in the missionary movement.

The idea of missions as a force for helping primitive peoples to improve the quality of their lives goes back at least to St. Benedict 1500 years ago. Benedict, sent to Rome to study science, found his fellow students to be complacent and corrupt, following the uneven paths of vice, running headlong to their

own ruin. Benedict led missions of young men from the Roman world of wealth to the wilderness of Northern Europe. There, vowed to personal poverty, freed from family obligations, and organized into communities for service, they cleared the forests, drained the swamps, tilled the soil, taught the schools, and wrote the books.

Cardinal Neuman has described the method of St. Benedict:

He found the world, physical and social, in ruins, and his mission was to restore it in the way, not of science, but of nature, not as if setting about to do it, not professing to do it by any set time or by any rare specifics or by any series of strokes, but so quietly, patiently, gradually, that often till the work was done, it was not known to be doing. It was restoration, rather than a visitation, correction or conversion. The new world which he helped to create was a growth rather than a structure. Silent men were observed about the country, or discovered in the forest digging, clearing, and building. There was no one that contended or cried out, or drew attention to what was going on; but by degrees the woody swamp became a hermitage, a religious house, a farm, an abbey, a village, a seminary, a school of learning, and a city.

TURNER AND THE FRONTIER

Americans today are so immersed in the material comforts of the 20th century that they are apt to forget the rough conditions that prevailed during the span of American history from the settlement of Jamestown to the closing of the frontier in 1890. And yet this period, which witnessed the constant struggle of men and women with their natural environment, and the continuous creation through cooperative effort of new settlements where formerly wilderness had existed, covered 300 years of the history of this Nation.

Frederick Jackson Turner attempted to relate the vitality of American institutions and character to the conditions surrounding the moving frontier. In "The Significance of the Frontier in American History," an address delivered on July 12, 1893, Turner held that "American democracy was born of no theorist's dream" but instead, "it came out of the American forest, and gained strength each time it touched a new frontier." The equality and the individualism of the American character, the spirit of community and the feeling of brotherhood, according to Turner, were born out of the need to meet the challenge of the wilderness, a challenge which could be successfully met only if men worked individually with all of their energy toward the realization of an idea that all men shared with intensity and faith. Thus self-reliance, courage, independence, endurance, and directness developed out of cooperation, friendliness, and interdependence.

Yet, the frontier was passing at the very moment that Turner wrote of its influence. The wilderness was giving way to civilization. Turner believed that the uniqueness of the American personality required the conditions of frontier existence to be fully realized. Without the frontier a young man's idealism, his spirit of adventure, his desire to create order out of his natural environment, could not be realized.

EMERSON

With the passing of the frontier, American writers observed a lack of vitality and idealism in the youth of this country. They lamented a civilization which failed to provide its young men and women with constructive opportunities to express their desire for adventure, physical hardship, and cooperation. With the growth of material prosperity and the development of trade, the individual forgot the frontier virtues and became increasingly complacent and conformist.

Emerson observed that "America is suffering from a shortage of the right sort of human material." He noted that the individual had become "an appendage to a great fortune or a legislative majority," while the "deep and high and entire man, not parasitic upon time and space, upon traditions, upon his senses, or his organs" was rapidly disappearing. And, Emerson continued, the American people, with all of their prosperity, were standing still, tied to the "baggage train" of material goods, waiting for the youth of America to cut their ties and come to the rescue. It is to the young people that Emerson looked for a revitalization of the attributes that made America great: self-reliance, courage, perseverance, and individualism. "I call upon you, young men, to obey your heart, and be the nobility of this land * * * stand for the interests of general justice and humanity."

THOREAU

Thoreau also expressed dissatisfaction with the opportunities his society provided for the constructive realization of man's great potential:

Our employment generally is tinkering, mending the old wornout teapot of society. Our stock in trade is the soldier * * * I hate the present modes of living. The life which society proposes to me to live is so artificial and complex, bolstered up on many weak supports, and sure to topple down at last, that no man surely can be inspired to live it, and only "old fogies" ever praise it.

At best some think it their duty to live it. I believe in the infinite joy and satisfaction of helping myself and others to the extent of my ability. But what is the use in trying to live simply, raising what you eat, making what you wear, building what you inhabit, burning what you cut or dig, when those to whom you are allied insanely want and will have a thousand other things.

THEODORE ROOSEVELT

Theodore Roosevelt acutely felt the need of a young man for physical as well as for intellectual stimulation. He understood that these needs had to be realized if the youth of America were to develop their full potential, and if the United States was to continue to be a nation of vitality and courage. He believed that the country could help its youth to realize its ideals, and at the same time help them to further the highest goals of humanity as a whole. In the wilderness, in the forests, and mountain ranges, in the plains and fields of America, the rough conditions of the frontier still prevailed. And in hard work, young men and women could recapture the virtues of an earlier generation, and bring new vitality to the American character.

Roosevelt, writing of the failure of American institutions of higher learning to keep their life in touch with the life of the Nation at the present day observed that "it is a misfortune for any land if its people of cultivation take little part in shaping its destiny. If our educated men as a whole become incapable of playing their full part in our life, if they cease doing their share of the rough, hard work which must be done, and grow to take a position of mere dilettantism in our public affairs," the country as well as the educated men will suffer. According to Roosevelt, "the first great lesson which the college graduate should learn is the lesson of work rather than criticism. * * * It is the doer of deeds who actually counts in the battle for life, and not the man who looks on and says how the fight ought to be fought, without himself sharing the stress and the danger."

The youth of America must be able to "work practically, and yet must not swerve from their devotion to a high ideal. They must actually do things and not confine themselves to criticizing those who do them. They must act as Americans through and through, in spirit and hope and purpose, and while being disinterested, unselfish and generous in their dealings with others, they must also show that they possess the essential manly virtues of energy, resolution, and of indomitable personal courage. No man is worth much anywhere if he does not possess both moral and physical courage."

Roosevelt argued that the same virtues that young men displayed on the battlefield should be evident in the fight for peace: "Peace, like freedom, is not a gift that tarries long in the hands of cowards or of those too feeble or too shortsighted to deserve it."

WILLIAM JAMES

Fifty years ago William James told peace-loving young Americans that they could find the moral equivalent of war by undertaking the hardship and adventure of life on a fishing schooner or a cattle ranch. James believed that young people were characterized by aggressive impulses which, if not recognized and rechanneled in constructive directions would be negatively mobilized in military activities.

In an address delivered before the Universal Peace Congress at Boston in 1904, James suggested that adventurous, even dangerous, peaceful work should be developed to provide the youth of America with an alternative to military conscription. Such an alternative would cater to young men's need for excitement and at the same time utilize their energy in a constructive way.

This idea was more fully developed by James in 1910, in the essay "The Moral Equivalent of War":

That so many men, by mere accident of birth and opportunity, should have a life of nothing else but toil and pain and hardness of inferiority imposed upon them, should have no vacation, while others natively no more deserving, never get any taste of this campaigning life at all, this is capable of arousing indignation in reflective minds.

If now there were a conscription of the whole youthful population to form for a certain number of years a part of the army

enlisted against nature, the injustice would tend to be evened out, and numerous other goods to the commonwealth would follow.

James believed that service in such a peaceful army would "provide gilded youth" of America with experiences which would "knock the childishness out of them" and enable them to "come back into society with healthier sympathies and soberer ideas." He continued:

Such a conscription, with the state of public opinion that would have required it, and the many moral fruits it would bear, would preserve in the midst of a pacific civilization the manly virtues which the military party is so afraid of seeing disappear in peace. We should get toughness without callousness, authority with as little criminal cruelty as possible, and painful work done cheerily because the duty is temporary, and threatens not, as now, to degrade the whole remainder of one's life. I speak of the moral equivalent of war. So far, war has been the only force that can discipline a whole community, and until an equivalent discipline is organized, I believe that war must have its way. But I have no serious doubt that the ordinary crimes and shames of social man, once developed to a certain intensity, are capable of organizing such a moral equivalent as I have sketched. * * * It is but a question of time, of skillful propagandism, and of opinion-making men seizing historic opportunities.

FRANKLIN D. ROOSEVELT

Franklin Delano Roosevelt in his fourth inaugural address in January 1945, restated the fundamental truth:

We have learned that we cannot live alone, at peace; that our well-being is dependent upon the well-being of other nations far away. We have learned that we must live as men, and not as ostriches, nor as dogs in the manger. We have learned to be citizens of the world, members of the human community. We have learned the simple truth, as Emerson said, that "the only way to have a friend is to be one." We can gain no lasting peace if we approach it with suspicion and mistrust—or fear. We can gain it only if we proceed with the understanding and the confidence and the courage which flow from our conviction.

In an address delivered in Boston on November 4, 1944, he emphasized the responsibility of the young men and women of this country to continue the fight, begun on the battlefield of the Second World War, to achieve and to maintain peace:

Our young men and women are fighting not only for their existence, and their homes and their families. They also are fighting for a country and a world where men and women of all races, colors and creeds, can live, work, speak, and worship in peace, freedom, and security. * * * In embarking on the building of a world fellowship, we have set ourselves a long and arduous task, a task which will challenge our patience, our intelligence, our imagination, as well as our faith.

In his second inaugural address in 1937, F.D.R. set the goal:

The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

This goal inspired both the Civilian Conservation Corps and the National Youth Administration. Both depression-born agencies called forth the energy, the idealism, the desire to help others, and the desire to play a part in the work of their Nation that has characterized the youth of America in any period in history. Through these agencies, young men and women cleared land, drained swamps, built hospitals, constructed schools, repaired bridges, harvested crops.

Each idea—the humanitarianism of the missionaries, the frontier of Turner, the "obedience to the heart" of Emerson, the simple life of Thoreau, the strenuous life of T.R., William James' Moral Equivalent of War, the world fellowship of F.D.R.—each has played its part in the fashioning of the Peace Corps.

The Congress, by giving the Peace Corps a legislative foundation, can do its part in directing the American tradition of service to the challenge of the 1960's.

COMMEMORATION OF ITALIAN REPUBLIC DAY

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. CONTE. Mr. Speaker, through the ages the ancient peoples of Italy have lived under every possible form of government. They have experienced disunity as well as the ultimate in national purpose and power.

The process of development and confederation in this modern world started in 1859 and continued, as it was destined to do, through perils and setbacks of the greatest dimensions. Wars, dictators, events of the world, and opposition from dissenting minorities stood in the path of a republican form of government which could give full expression to all facets of public opinion and yet present a unity of purpose in world affairs.

After surviving the horrors of the Second World War and fascism, perhaps the most destructive decades in Italy's history, a dramatic new beginning was undertaken on June 2, 1946. The people cast their future with a republican government rather than a monarchy. I am proud today to congratulate the Italian people on the 15th anniversary of their decision.

The past 15 years have not been traveled on a smooth highway unmarked by danger signs. International communism has sought a conquest in Italy by placing countless roadblocks in the way to success. Coalition governments have suffered chuckholes dug by minorities, thereby slowing progress. In Italy today, though, we see one of the strongest nations in our Western alliance for peace. Economically, socially, and governmentally, progress has proven the wiseness of Italy's decision on June 2, 1946. Her partnership in NATO, the United Nations, and the European Common Market has not only protected her own interests but has added invaluably to the success of each organization. It is even more rewarding for all Italians to remember that they began anew after the Second World War from a most chaotic position. The ravages of war left a minimum with which to work, but the victors realized that the true nature of the people contradicted the course taken by the Fascist government during the previous years. For the people of Italy are gentle and peaceful, not vicious or belligerent.

The United States stands proudly with Italy in a relationship of brotherhood formed by unbreakable ties. Her people have contributed their very culture and way of life to our Nation through migration and settlement here. There is no question about the future. Italy will continue to progress in her commitment to a democratic social order and a republican form of government. She will provide added strength to the Common Market, NATO, and the United Nations. I congratulate her and wish her even greater success in the coming 15 years.

TAX POLICY ON FOREIGN TRADE AND INVESTMENT

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the following testimony was presented to the Ways and Means Committee today by Prof. Walter A. Slowinski. It is so relevant and cogent that I think it should receive wide publicity, particularly as it corrects a very important misapprehension that Secretary of the Treasury Dillon created in referring to our present tax laws, that the deferment of foreign income under our present tax laws was a postwar period promotion of private foreign investment. The tax policy behind our tax laws as they affect foreign investment was to obtain revenue and not to give preference or encouragement to anything, and they have been of long standing.

I think it is very important to treat our tax laws on the assumption that they are for revenue and not for the purpose of trying to create economic results. Certainly, however, it is proper to reexamine our tax laws from time to time to be certain that they are not creating unsociable or inequitable results. Herein follows the testimony:

TESTIMONY OF WALTER A. SLOWINSKI FOR THE CHAMBER OF COMMERCE OF THE UNITED STATES ON FOREIGN SOURCE INCOME TAXATION SUBMITTED TO THE HOUSE WAYS AND MEANS COMMITTEE, JUNE 5, 1961

I am Walter A. Slowinski of the law firm of Baker, McKenzie & Hightower of Chicago, appearing on behalf of the Chamber of Commerce of the United States. Academically, I am an adjunct professor of comparative tax law at the Georgetown University Graduate Law School in Washington, D.C., and a lecturer in domestic and foreign tax law at the University of Virginia Law School in Charlottesville.

The chamber recommends that:

1. The tax treatment of income derived from sources abroad be liberalized.

2. A foreign tax credit providing greater relief should be enacted.

3. Income of U.S. citizens earned while residing abroad be exempt.

4. Taxation of the income of branches and agencies abroad be postponed until the income is returned to the United States.

These recommendations are not new. They were first adopted over 10 years ago and were reaffirmed by our membership on May 3 of this year. Quite obviously they were in effect long before the 1961 administration tax message now before this committee. It is equally clear that they coincide with this committee's attitude toward the encouragement of private investment abroad as reflected by its favorable reporting of H.R. 5 in the 86th Congress.

However, insofar as the executive branch of the Government is concerned, the pendulum has now swung away from its 1960 encouragement of private investment abroad, not merely to return to the middle point of status quo, but on to the full negative approach of pressuring industry to curtail its private foreign investment and reduce its competition with foreign competitors on foreign soil.

This benefits our foreign competitors in Western Europe and Japan who, as the President noted in his message, have now completed their postwar reconstruction and are fully competitive with U.S. corporations and their subsidiaries in almost every major country of the world.

Nothing would more gratify our foreign competitors in Western Europe and Japan than to have U.S. private investment shrink or withdraw from these areas of competition. This would naturally occur if U.S. shareholders in foreign corporations operating entirely abroad are harnessed with a new, costly, and complex regime for paying U.S. income taxes on money which they have not yet received.

We should in this testimony like to set forth very briefly specific illustrations of how the Treasury's proposed recommendations would discourage U.S. competitive chances in worldwide competition.

1. TAXING INCOME NOT YET RECEIVED PENALIZES U.S. INVESTORS IN WORLDWIDE TRADE

The very technique suggested in this proposal to tax the income of U.S. shareholders from foreign subsidiaries was used in the Revenue Act of 1937 to destroy a type of foreign corporation operating as a tax avoidance mechanism—and it effectively destroyed most of these foreign personal holding companies. Many other Western countries use this same vehicle where tax evasion is involved to destroy such corporations.

We now find this same technique proposed for use against U.S. business overseas, even though the President urged in his state of the Union message that we should "not penalize legitimate private investment abroad, which will strengthen our trade and currency in future years."

Regardless of the constitutionality or unconstitutionality of this proposed law—and responsible tax authorities and the courts have questioned the constitutionality of taxing income which has not yet been received—such penal measures against private foreign investment cannot but succeed in changing our Nation's attitude toward private investment in developed or less-developed areas of the world.

2. OUR 48-YEAR RULE OF TAX FAIRNESS SHOULD NOT BE ABOLISHED

Secretary Dillon's testimony intimates at page 29 of the printed text that the "deferral privilege," as he termed it, was a postwar period "promotion of private foreign investment" in the public interest.

He suggests that times have changed recently and we should no longer continue this post-World War II "preferential treatment." We are certain this committee knows that this rule of tax jurisdiction was no postwar promotional scheme. The Congress for almost 50 years has promulgated and reconfirmed the rule adopted by all commercial nations of the world of not taxing the income of a foreign corporation earned in a foreign country until it becomes income in the home country.

To suggest, as did the Treasury, that the United States is the only country which currently and only temporarily adheres to this rule of sovereignty is not accurate. We should carefully consider the wisdom of changing an almost 50-year rule to achieve a temporary economic objective.

3. FOREIGN COMPETITORS WILL CONTINUE TO EMPLOY BASE COMPANY OPERATIONS TO CRUSH U.S. COMPETITORS

The administration's tax message unfortunately singles out Switzerland as a base country for U.S. firms as if it were an exclusively American discovery. However, this committee knows that Swiss law as well as most European law has remained almost unchanged for many years on this question of territoriality in taxation. In fact, practicing Swiss corporate and tax lawyers, recently concerned with accuracy of the Treasury Department's Table 15 statistics on the number of U.S.-owned corporations organized in Switzerland during 1954–1960, have conducted an informal study and now have determined that the number of German-owned Swiss corporations exceeds the number of U.S. owned Swiss companies. Thousands more Panamanian, Liberian, and other base companies owned by Japanese, United Kingdom, Canadian, French, German, Spanish, and Italian stockholders, are in deadly competition with United States private investment in the Western European arena.

The term "foreign competition" does not mean small European companies just getting started under the Common Market or the European Free Trade Area. These foreign competitiors are among the largest foreign industrial companies—some of them much larger than their U.S. competition.

4. SECRETARY DILLON'S GERMAN-SWISS EXAMPLE PRODUCES MORE (NOT LESS) U.S. TAX REVENUE

Secretary Dillon's example of a U.S. company operating in West Germany through a German manufacturing subsidiary and a Swiss Trading company must be carried to its logical conclusion. To the extent that German taxes can be saved by use of a Swiss trading company which earns the selling profit on a product on which a German company has earned the manufacturing profit, more net tax revenue is available to the United States Government on the dividend distributions to the United States parent.

To the extent that complete manufacturing and selling operations are conducted only in the German company, the overall German tax rate plus a 15-percent withholding on dividends would equal or exceed the U.S. corporate tax rate of 52 percent, leaving no tax revenue for the United States on repatriation of the dividends. The elimination of the intermediate Swiss company, as Secretary Dillon suggests, would not only increase German tax revenue, but defeat any hope of U.S. tax revenue unless, of course, the foreign tax credit provisions of our code are abolished. However, if the foreign tax credit were to be abolished, then there would be no U.S. tax revenue because this business could no longer exist paying approximately a 75-percent tax rate to Germany and the United States.

5. ARTIFICIAL DIVERSION OF INCOME CAN BE STOPPED

European nations are keenly aware of our section 482 provisions for allocation of income, deductions, and credits by the Commissioner to reflect accurately the income of affiliates. Most major European countries have the same type of tax law which they aggressively use as a weapon against artificial diversion of income. To imply—as did the Secretary at page 25—that in Western Europe certain income may be attributed to tax haven companies which is not economically justifiable, is to criticize the Dutch, German, French, Italian, Belgian, and United Kingdom tax administrators who approve such section 482-type allocations in writing in advance for each company and review them periodically as required by law. Where a country chooses to be more liberal in such income allocations, it does so at the expense of its own tax revenue and to the benefit of the United States in ultimately increased tax collections here.

In one recent instance involving a Dutch manufacturing company and a Swiss trading company owned by U.S. investors, it was decided that if this Treasury proposal were to be adopted, the Swiss subsidiary would be liquidated (at a saving in corporate expense) and all manufacturing and selling operations would then be conducted from the Dutch company paying a 47 percent corporate income tax rate on all its income. Under this change little or no U.S. tax revenue would then be payable on the remission of profits to the U.S. shareholders. However, under the present system, approved in writing by the Dutch tax inspectors, that portion of the selling profit which is allocated to the Swiss trading company attracts a lower Swiss corporate tax on such income. This in turn leaves tax revenues for the U.S. Government which would now be lost under the Treasury proposal.

In another recent case, a U.S. company established a manufacturing subsidiary in the Irish Free State. The Irish Government has granted a 10-year tax exemption to the subsidiary because it is anxious to attract foreign capital for the development of local industry.

If the Treasury Department's proposal is adopted—and if Ireland is designated as a "developed" country, the Irish subsidiary's income will be taxed to the U.S. parent corporation at 52 percent in the United States although such earnings are exempt from Irish taxes.

6. U.S. INVESTMENT WILL BE LOST IN ALLIED COUNTRIES

Suppose a U.S. electronics corporation plans to compete in the European Common Market by manufacturing within the Common Market (such as in the underdeveloped area in southern Italy known as Mezzogiorno) to reduce its Common Market tariffs. It forms an Italian subsidiary to do so. A Dutch competitor (one of the world's largest electronics companies) decides to do likewise.

Under the Treasury's proposal, the earnings of the U.S. corporation's Italian subsidiary would be immediately taxed in the United States at the corporate rate of 52 percent, while the Dutch company, operating under a 10-year Italian tax exemption in the Mezzogiorno area program, would be wholly exempt from Dutch corporate tax (under a long-standing Dutch rule of taxation dating back to the 19th century), and it would be wholly exempt from Italian taxes for the first 10 years.

The Dutch company would have been free to enjoy the benefits of the Italian tax exemption program, while the income of the U.S. company's subsidiary would have been fully taxed at 52 percent in the United States on the distributed or undistributed profits of its Italian subsidiary.

We do not consider this "neutrality" in U.S. taxation of foreign source income unless it means being "neutral" against the U.S. investment abroad.

On another important point, the Treasury's proposed definition of controlled foreign corporations is completely unrealistic. The 10 or fewer U.S. shareholders may be totally unrelated and, indeed, may have conflicting interests with respect to the foreign corporation. For example, a U.S. corporation may own a large minority position in a publicly held foreign corporation. Without any act on its part, one or several other U.S. citizens may acquire a small amount of stock so that U.S. citizens then own 51 percent. By this accident, all of the U.S. stockholders are subject to tax on the undistributed profits of a foreign corporation which no one of them can control.

7. TREASURY WOULD ABANDON COURT APPROVED SOURCE OF INCOME RULES IN LESS DEVELOPED AREAS

With regard to the Treasury's recommendations on tax deferral for less-developed countries, it should be noted that the entire system of rules regarding source of income is proposed to be changed. A newly formed Costa Rican manufacturing company would lose its hope of tax deferral, for example, if during its formative year it derived 21 percent of its income from the purchase of products from its U.S. parent and sale of such products outside Costa Rica. To obtain tax deferral in such cases it might be necessary to set up separate foreign corporations in each less-developed country in which such goods are to be sold. This can hardly be called good economics or good tax policy. Certainly few businessmen would choose to establish oversea ventures under such unusual ground rules.

8. U.S. INTEREST IN FOREIGN AIRLINES AND SHIPPING WOULD BE PENALIZED

On a more drastic note, the exception for less-developed countries involves such a complete change in the source rules with regard to profits from the operation of international shipping that a substantial portion of U.S.-owned shipping would be driven from world competition.

For example, if a U.S. corporation now conducts its shipping through a nonsubsidized Panamanian company with Panamanian-flag vessels, the income of such company under the Treasury's proposal would be immediately taxed in the United States at 52 percent, thereby leaving the shipping lanes of the world open to our nontaxed or lightly taxed Greek, Dutch, Italian, and Japanese competitors.

9. THE FOREIGN TAX CREDIT SYSTEM SHOULD BE IMPROVED

The Chamber has consistently emphasized the need for a foreign tax credit giving greater relief for foreign taxes paid which are not strictly "income" taxes. The need for this change becomes more acute when Secretary Dillon's testimony argues only in terms of European "income" taxes in comparison with U.S. income taxes. It must be remembered that more than 30 percent of that total tax burden in Europe is collected in the form of sales taxes, turnover taxes, transmission taxes, trade taxes, excise taxes, taxes on capitalization, privilege and franchise taxes, and property taxes—most of which are creditable under the present U.S. income tax system.

Before this committee in 1958, I advocated that section 903 be amended to achieve equity for taxpayers who pay substantial foreign taxes not specifically designated "income taxes," and for those who lose even the benefits of the "in lieu of" provisions of section 903.

Congress intended, as argued by the late Senator George in 1952, and again in 1954, to give taxpayers credit for those foreign taxes measured by gross income, gross sales, or other methods if they were levied in lieu of an income or excess-profits tax.

A good example is the Colombian patrimony tax already rejected for the foreign tax credit by U.S. courts, or the Japanese tax for which credit was denied in Revenue Ruling 58-548.

The Treasury's narrow regulations make it impossible to assure a businessman in advance that some new—or even some old—taxes levied by a foreign state or political subdivision thereof will be recognized for purposes of a fair and equitable U.S. tax credit.

A legislative recommendation from this committee to remove this inequity is very important to American business overseas. It is important to note that the United Kingdom, in addition to the favorable treatment already provided for investment abroad through overseas trade corporations, has further liberalized its foreign tax credit system in the 1961 finance bill.

10. SECTION 911 SHOULD NOT BE CHANGED

We have received excellent statements from many American chambers of commerce in foreign countries defending the present earned income exclusion of U.S. citizens working abroad. To say that the foreign tax credit mechanism will protect such taxpayers from double taxation is not correct. In France, for example, more than 20 percent of a taxpayer's total budget is taken by large indirect taxes which do not qualify under section 901.

For many reasons stated much more clearly by the American chambers of commerce abroad to this committee in writing for the record, the present section 911 provisions should not be changed.

11. GROSSING UP SHOULD BE REJECTED

On April 11, 1960, Mr. Paul Swantee representing the chamber of commerce of the United States appeared before this committee to oppose H.R. 10859, a bill to amend section 902 by requiring the adoption of the so-called grossing up rule now proposed again by the Treasury Department. His testimony on pages 46 through 49 of the hearings represents the chamber's opposition to this proposal then and now.

The proposal would overturn principles of some 43 years' standing, upset long-established relations in tax treaties, and penalize foreign trade both in developed and underdeveloped areas. Here again, the wisdom of changing long-established rules to gain a temporary economic objective should be carefully considered.

CONCLUSION

The Chamber urges that enforcement of our tax laws, especially the 1960 amendments which only recently became effective, be given a fair chance before consideration is given to the uncertain, costly, and complex legislation suggested by the Treasury.

To the extent that artificial arrangements between related companies have created problems of tax evasion, such practices can be discovered under a new reporting law enacted by the Congress in section 6038 last year—and they can be handled under existing enforcement provisions. In this regard, the Chamber supports the Commissioner in his program for more extensive auditing—including such additional personnel as may be needed—to insure that taxpayers pay their fair share on both domestic and foreign income.

INCREASE IN PAY OF PROFESSIONAL MEN AND WOMEN OF DEPARTMENT OF MEDICINE AND SURGERY OF VETERANS' ADMINISTRATION

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the gentlewoman from West Virginia [Mrs. KEE] may extend her 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 Texas?

There was no objection.

Mrs. KEE. Mr. Speaker, I am today introducing a bill which amends appropriate sections of title 38, United States Code, to increase the pay of the professional men and women of the Department of Medicine and Surgery of the Veterans' Administration.

It seems to me, if we are to maintain the highest professional standing of the largest hospital and medical system in the world, it is absolutely essential that we give careful attention to this matter. I am hopeful that the administration will be able to support most, if not all, of the salary levels set in my bill.

The salary of the Chief Medical Director is set at $22,500 and in the medical service, generally, the chief grade would range from $16,790 to $18,090. In addition, I am including a provision to set the salary of the Administrator at $25,000. In view of the magnitude of the operations of the Veterans' Administration, it seems to me that this figure and the others mentioned in my bill are entirely reasonable.

COLUMBUS DAY

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DANIELS. Mr. Speaker, I have today introduced a bill to make October 12, Columbus Day, a legal holiday.

October 12 was the day in 1492 when the Italian navigator, Christopher Columbus, landed on that island 600 miles southeast of Miami which we call San Salvador. This day is celebrated in at least 40 States and over 15 neighboring republics as a tribute to the man whose great daring and historic vision made possible the discovery of the New World. Few events in the history of the world have equaled Columbus' phenomenal feat. Surely it is fitting that this Nation join the several States and our neighbors to the South in honoring the discoverer of America.

By making Columbus Day a national holiday we honor not only Christopher Columbus but the ties of friendship which bind the two great continents which he discovered. For many years October 12 has been celebrated in both North and South America as a symbol of inter-American solidarity. Surely there can be no better time than the present to exemplify this theme, when we are striving to solidify inter-American friendship and understanding.

A national celebration on October 12 would do much to strengthen the "alliance of progress" which President Kennedy has outlined for the two Americas. We can use this occasion to rejoice with

Latin America in our common heritage, and to reiterate our common goals and mutual ideals.

I have frequently heard the argument made that we have too many national holidays, and that additional days should not be given official recognition, lest the importance of each be diminished. I cannot believe that this argument applies to a holiday as significant and as timely as this one. And I must point out that the United States has at present only seven legal holidays, surely not an excessive number and one which is far below the number of national holidays in most other countries.

I am most hopeful that this bill will win approval in the current session. I believe it would be interpreted by our friends to the south as a gesture of friendship, in appreciation of our common origin, and it would certainly constitute a long-overdue tribute to a man of great faith and overwhelming courage.

STRIKE OF MEATPACKING EMPLOYEES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, permit me to call attention to something that is happening in Chicago at the present time and which might well be given consideration.

In May, 13 years ago, we had hearings in Chicago on a meatpacking strike which involved 20 States. The packing industry in those States was tied up.

The gentleman from Indiana [Mr. HARVEY] was on that committee. I am sure he will remember—because he courageously attended those hearings though told by some leaders not to do so. The hearings disclosed as just stated that throughout the United States all of the packinghouses were tied up, not operating, because of the strike. In that strike railroad tracks were blown up, cars burned, trucks destroyed, packinghouses wrecked, individuals beaten—I will not go through it all, you know what happened.

Pictures showing some of the violations are found in the printed hearings of a subcommittee of the Committee on Expenditures in the executive departments—now the Committee on Government Operations—in the 80th Congress, 2d session—investigation as to the administration of the laws affecting labor disputes. (Interstate and foreign commerce, and the antiracketeering statute, the interstate transportation of pickets, and the activities of the Department of Justice, in connection with strikes in the meatpacking industry in 20 States, hearings before a subcommittee of the Committee on Expenditures in the executive departments, 80th Congress, 2d session—May 20 and 21, 1948.)

The report filed after those hearings shows the then need for legislation.[1]

The present administration by and large received support from labor leaders. Especially did Walter Reuther direct or, if you prefer, divert the vote of many a worker to the support of the President, who, as a member of the McClellan committee, on which the present Attorney General, Robert Kennedy, was counsel, failed to expose some of the unlawful activities of the Reuther outfit.

As has many times been stated, the record is clear that the UAW-CIO employed goons who repeatedly violated the law; used union money to implement their activities, but, so far as the press discloses, the administration has taken no major action to bring any member of the Reuther outfit before the courts.

[1] From 21st Intermediate Report of the Committee on Expenditures in the Executive Departments, H. Rept. No. 2464, 80th Cong., 2d sess.:

"CONCLUSIONS AND RECOMMENDATIONS

"As stated at the outset, it is not the purpose of this report to comment on the merits of the strike or the position taken by the union or the company. Neither are we concerned with the wisdom or motives of the officers of the UPWA-CIO in calling this strike and then after many weeks of violence accepting the original pay increase offer of the companies which they rejected and the AFL Butcher Workmen accepted 4 months before.

"However, we are directly concerned with the conduct of the strike. This report merely sketches what the hearings discuss in exhaustive detail. Plant managers, maintenance and supervisory personnel, and office forces, were generally denied access to the plants, were beaten, interfered with, and intimidated, not only at the scene of the strike, but at their homes as well. The rank-and-file employees who did not wish to strike were subjected to the same indignities and abuses. Many were hospitalized with severe injuries. Police officers were beaten, and local laws against violence and mob conduct were flouted with impunity. Union officers publicly threatened their own members with physical violence unless they obeyed orders.

"Union officers publicly announced that they were taking the law into their own hands, and dared their members, the public, the police, the Army, and even the President of the United States to interfere. They were so successful in carrying out this threat that physical violence, property destruction, and willful disregard for the simplest rights of others became the general rule at the struck plants.

"Chicago was the only exception, and even there nonstriking employees seemed to feel that there was some rule of good conduct violated when the police guaranteed them safe conduct through the picket lines when they elected to return to work. They seemed uncertain as to whether they really had the right to work if they choose. In other communities, particularly in Minnesota and Nebraska, where law enforcement was obviously secondary to political consideration, the right to work was subordinated to the right to insult, intimidate, and beat individuals who desired to return to work.

"To correct this intolerable situation in industries affecting interstate commerce, this committee suggests the enactment of Federal laws, similar to the Michigan statutes which read as follows:

"'(28.584) SEC. 352. Any person or persons who shall, by threats, intimidations, or otherwise, and without authority of law, interfere with, or in any way molest or attempt to interfere with, or in any way molest or disturb, without such authority, any person, in the quiet and peaceful pursuit of his lawful occupation, vocation, or avocation, or on the way to and from such occupation, vocation, or avocation, or who shall aid or abet in any such unlawful acts, shall be guilty of a misdemeanor.

"'SEC. 9f. It shall be unlawful to hinder or prevent by mass picketing, threats, intimidation, force, or coercion of any kind the pursuit of any lawful work or employment, or to obstruct or interfere with entrance to or egress from any place of employment, or to obstruct or interfere with free and uninterrupted use of public roads, streets, highways, railways, airports, or other ways of travel or conveyance. It shall be unlawful for any person acting either individually or as one of a group to engage in picketing a private residence by any means or method whatsoever: *Provided*, That picketing, to the full extent that the same is authorized under constitutional provision, shall in no manner be prohibited.'

"The committee is convinced that unless the coercion, the intimidations, the beatings, the destruction of property, the disregard of court orders, which this and other hearings by subcommittees of the Committee on Education and Labor have disclosed are prevented or lessened and punished, civil strife will ultimately follow. Hence the committee suggests that the Congress, without delay, consider legislation similar to that to which reference has just been made.

"Probably one of the most important single factors in making possible the mob rule described in this report is the fact that the offending pickets invariably were strangers to the community, acted with precision and ruthlessness, and, in most instances, were not effectively opposed by local officers. They were roving squads of strong-armed men whose sole function seemed to be that of inflecting physical violence on nonstrikers, company officers, and anyone else whose enthusiasm for the strike was not at fever pitch. A no lesser phase of their duties was property destruction.

"Another factor which undoubtedly contributed to the success of the goon squads' program of intimidation, violence, the destruction of property and defiance of court orders, was the fact that invariably the police were outnumbered, usually 10 to 1 by the goons, and perhaps of more importance, were not only reluctant to employ force in making arrests, but were usually hampered by instructions from politically minded superiors to avoid bloodshed.

"In the instant case, the charge has repeatedly been made that the violence was due to the activities of strikebreakers. That charge has not, to date been substantiated by the evidence.

"There is, however, on the books section 1231 of title 18 of the United States Code, which makes interstate transportation of strikebreakers unlawful.

"It is suggested that Congress now give consideration to a bill similar perhaps to H.R. 4906, March 1936, 76th Congress, 1st session.

"Inasmuch as the testimony discloses an interference with interstate commerce, and that there seems to be no Federal statute prohibiting such interference, it is suggested that the Congress consider the question of the passage of legislation which makes interference with interstate commerce a Federal offense.

"A bill designed to accomplish that purpose was introduced in the 80th Congress, 2d session, on June 14, 1948. It is H.R. 6914."

Today we lack not only legislation, but enforcement of the present Federal laws.

Saturday, the Chicago Tribune carried a story of a pending strike which holds up deliveries of meat.

Since the strikes in 1948, the packing industry, Swift, Armour, and others who were then operating in Chicago and who at that time had plants that were tied up in these 20 States moved their plants out of Chicago. They got out of trouble. Many, many jobs were lost, people were inconvenienced.

This article to which reference is made states that over a million dollars worth of meat would spoil in Chicago unless some helpful action was taken.

The strike is to prevent the packing people who moved out now sending meat into Chicago, either by their own or other trucks. Some are thinking about the policy of the New Frontier, what if anything does the administration intend to do about these strikes of today?

If I understand correctly the testimony of Mr. Goldberg, as given before the Subcommittee on Education and Labor of the House, Mr. Goldberg, who is Secretary of Labor, takes the position that only union men are to have jobs. That means only those who in Chicago belong to a union—in this instance perhaps a Teamsters Union—are to make deliveries of meat.

That seems a strange doctrine, that only those who pay tribute to some labor organization may have a job, earn a livelihood in this country of ours.

If I get Mr. Goldberg's statement correctly and the administration's statement and policy correctly with reference to strikes in defense industries, what they now say is that in industries making missiles, the unions have agreed there shall not, and will not, be any strikes in connection with our missile plants.

Now, that sounds all right, does it not? But, if you think down the line, you learn that that is Government's money in those industries making missiles and other defense munitions. So, they just ask Congress to appropriate more money in order that members of the unions get their jobs at top wages.

And, you recall that in the report of the McClellan Committee some union members in those plants were getting $500 a week, some $600, and some as high as $700 a week.

Do not forget, if the Government wants you, a citizen, and you are qualified to go to war, it reaches out, takes you by the arm and puts you in the ranks. You do not have anything to say about that. You may not be able to be deferred as was Reuther—Congressional Record, volume 101, part 10, page 13012, August 2, 1955.[2]

Nor will the military service pay $300 or $700 a week. You know about what the serviceman got in 1941 when Reuther was deferred? A private, $30 a month.

So, what is the result of Goldberg's policy, the policy of the New Frontier? It is this: Industry, in this particular case using Government money, gets a contract for cost and a profit. I do not know whether it is too much or too little a profit. The union worker gets what he wants for his work and the union gets what it wants, and the added cost, sometimes millions of dollars, is put on the taxpayer. The production is delayed.

My point is this, that is no fair way of proceeding. Pay the serviceman a nominal wage—now $99 a month—give the man working here at home—living with his family in comfort and safety $500 a week.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I would just like to state in connection with the statement made by the gentleman from Michigan [Mr. Hoffman] that I was a member of the subcommittee and accompanied the gentleman to Chicago where the hearings were held after very careful investigation by staff people. At the time we arrived in Chicago to hold the hearings in the Federal Building, our Federal marshal said that there were a number of goons there prepared to do us in and that he was no longer willing to guarantee that he could protect us in case of attack. The gentleman from Michigan proceeded to conduct the hearings, and I think in that respect restored a great deal of credit to the great House of Representatives of which he has been a very devoted Member.

Mr. HOFFMAN of Michigan. Permit me to thank the gentleman. But, I want to say to the other Members on the floor that there was no danger, at least, in my opinion, because my experience with those goons is—and there were many hearing days in several places—that while they talk, they would not injure any Congressman. Why? Because they like the Congressman? Oh, no, no, no. They never beat up a Congressman or kill him, because if they did, the rest of the Congressmen would get frightened and pass some worthwhile legislation. Their forbearance was a matter of self-interest, that is all there was to that.

On this labor policy of Mr. Goldberg and the New Frontier in private industry note what they are doing. Give the union what it wants, let the industry add the cost to the price and soak the purchaser.

That is what happened in the automobile business. The companies have to make a profit. The union worker wants his wage increased. That is natural. So, what do they do? Well, they boost the price of the product—whatever it may be. We all pay more when we buy a car. I think they want too much for their cars, so I personally am interested.

When a sufficient number of the people throughout the United States have their pocketbooks hit, and where the price of things they buy—whether it be autos or bread—gets so high that they cannot take it any more, we all will be interested. Then the home folk will write their Congressmen and tell us we will not be reelected unless we do something about it.

I hope that day will come soon. Why? So I can help to bear the burden, so I can help to fight the battle for my grandchildren and great-grandchildren. I have six or seven—no eight. A grandson in the armed service in Germany just advised he was the proud father of a daughter.

It is my hope the burden of future generations will grow less rather than greater.

Maybe the New Frontier would extend that civil rights bill so as to protect white gentiles, so as to protect the honest union and the nonunion men who do not want to pay tribute; in effect, to protect all of us.

Permit me to ask about some of the effects of this civil rights bill. As I understand, it says no discrimination because of religion or creed, race, color, or state of origin.

I saw a statement, that there were six or seven nations in which individuals were allowed to have or did have one, two, three, or four—I do not know how many—wives. Their religion or creed

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[2] Letter from National Headquarters, Selective Service System:

Washington, D.C., *August 5, 1941.*

Hon. Clare E. Hoffman,
House of Representatives.

Dear Mr. Hoffman: In accordance with your request we have made a complete investigation of the classification of Walter Philip Reuther, Order No. 744, Wayne County Local Board No. 31, Lansing, Mich.

It appears that this registrant at no time made a claim for deferment on the grounds of dependency, although his record indicated that dependency was involved. The registrant did claim deferment as a necessary man because of his occupation as a representative of the United Automobile Workers, an affiliate of the Congress of Industrial Organizations.

Upon appeal of the case of this registrant, Board of Appeal No. 3 at Detroit, Mich., deferred the registrant in class III-A on the grounds of dependency.

While it is not specifically stated in the file, it appears that the registrant does not desire to be deferred on account of dependency but rather desires to be deferred as a necessary man.

When a case is appealed to a board of appeal it is incumbent upon that board of appeal to consider all questions and to place the registrant in the lowest classification justified by the evidence and information contained in his record. Occupational deferments in class II-A or II-B are not as low in classification as the dependency deferment in class III-A. For this reason, the board of appeal acted in direct conformity with the selective service regulations when it placed this registrant in class III-A, as the lowest deferment status justified by the record.

Accordingly, as the record now indicates, the registrant is deferred and is free to carry on his occupation and maintain those who are dependent upon him. In our view this deferment should be entirely satisfactory to the registrant, and we believe that there is no good reason why he should pursue any further his objection to such a classification. In the event that subsequently his classification may be changed, by reason of a change in circumstances, from class III-A, then full consideration would be given to any other grounds upon which a claimed deferment would be found to exist.

We trust that the information contained in this correspondence is found satisfactory to your inquiry.

Sincerely yours,

Lewis B. Hershey,
Deputy Director,
Selective Service System.

justifies taking more than one wife.[3] Suppose some of those people come over here, as they do, become citizens, bring all their wives with them—two or three of them. Most States, if not all, have a law against bigamy. Are we to say to these fine people whom we ask over here and who have, as I said, two or three wives—are we to make them discard all the wives but one? Is the first or last wife to be discarded? And what about the children? And if we do, are we going to put those excess wives on relief? What are we to do with them?

There is another angle to this civil rights bill. It does not protect a man if he comes from abroad and has extra or surplus wives. Mr. Speaker, what is he to do? He may have trouble because we have a law, in Michigan at least, that says that a man who does not support his wife, having sufficient ability so to do, is a disorderly person, and in Michigan, may be sent to jail.

Mr. Speaker, there is another angle to this civil rights legislation which will be discussed later when time is available.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

LT. GEN. ARTHUR G. TRUDEAU

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

[3] John Gaines Vaughan, "Religion, a Comparative Study," 1919, pages 358-359, "A Brief Comparison, Polygamy." A brief comparison of polygamy:

Mohammedanism: Encourages and teaches polygamy. Mohammed himself practiced it.

Brahmanism: Polygamy common among Brahmans.

Buddhism: Those who are financially able may have plural wives or concubines.

Confucianism: Polygamy is taken as a matter of course, for every mother is expected to give birth to a son. "Every mother who bears no son is a slave, while a mother with grownup sons is a monarch."

Egyptian religion: No record is found of any signs of polygamy. Concubinage may have been permitted.

Parseeism: Monogamy is the rule, though some of the wealthy are polygamists. Parsee family relations on the whole seem to be quite happy.

Shintoism: Christianity has disestablished concubinage. Polygamy is now illegal in Japan.

Taoism: Priests are allowed to marry. Polygamy is governed by personal tastes. There are no rules or restrictions.

Teutonic religion: Largely practiced by wealthier Teutons. Plural wives were obtained by purchase or capture.

Mormonism: Originally Mormonism forbade polygamy, but Joseph Smith, Jr., had a "revelation" granting permission to have plural wives. Men were encouraged to have several wives. Polygamy was done away with in 1893, in order that Utah might be admitted to the Union.

Theosophy: There seems to be no evidence of polygamy. Such as may have been practiced, if any, has been secret.

Mr. FEIGHAN. Mr. Speaker, on May 26, 1961, a most interesting article written by Robert S. Allen and Paul Scott appeared in the Philadelphia News. The article mentions that the President of the United States is considering one of three distinguished soldiers for his personal Chief of Staff. These three are Gens. Maxwell Taylor, James Gavin, and Arthur G. Trudeau. The first two have been given important assignments by the President. I am most pleased to hear that the President is considering Lieutenant General Trudeau, the present brilliant Chief of Army Research and Development, and formerly Assistant Chief of Staff for Intelligence, for a position of even greater responsibility. I have known General Trudeau for many years and he is truly a great patriot, soldier, and statesman. An example of this man's versatility is his knowledge and understanding of the problems of the Latin American area. He is not only admired and respected by numerous Latin American officials, but his soldier-pioneer proposals might be the salvation of the Latin American economic dilemma and the solution to many of the problems confronting our southern neighbors.

I consider the May 26, 1961, article in the Philadelphia News of such importance that I am inserting it in the CONGRESSIONAL RECORD:

J. F. K. PLANS TO CHOOSE PERSONAL CHIEF OF STAFF

(By Robert S. Allen and Paul Scott)

WASHINGTON.—President Kennedy has decided to add a personal Chief of Staff to his White House assistants. Three noted military leaders are under consideration.

Gen. Maxwell Taylor, famed battle commander and former Army Chief of Staff whom the President recently recalled from retirement to direct a sweeping study of the Central Intelligence Agency as a result of the Cuban invasion fiasco.

Gen. James Gavin, another renowned combat commander, who quit as head of Army research and development because of disapproval of Eisenhower policies. Gavin, now Ambassador to France, will accompany the President on his visit to President de Gaulle.

Lt. Gen. Arthur Trudeau, who succeeded Gavin as chief of Army research and development and is highly regarded by the President.

In discussing this innovation with congressional and other friends, the President stressed his increasing need of "a qualified military man to whom I can turn for yes or no answers."

He emphasized it is not his intention to discard or in any way relegate the Joint Chiefs of Staff.

"They have their statutory functions," the President explained, "but frequently that isn't much help to me in reaching a prompt decision. I have found that when I submit a matter to the Joint Chiefs, I frequently get four different answers, one from each chief. Also, there are too many 'maybes' and 'yes buts' in their recommendations. That's what happened on the Cuban operation."

The President has an official legal opinion that he can appoint either an active-duty or retired officer as his personal Chief of Staff.

Three military aids already are members of the White House staff. But they serve in liaison capacities and are not consulted on policy matters. That would be the primary function of a personal Chief of Staff.

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

Mr. FEIGHAN. I am happy to yield to the distinguished gentleman from Florida.

Mr. SIKES. Mr. Speaker, I am very glad indeed to hear my distinguished colleague speak so eloquently and so favorably of General Trudeau. I think he is one of the Nation's finest soldiers, a man who has contributed greatly to the Nation. I would be pleased indeed to see him honored as my distinguished friend has suggested.

Mr. FEIGHAN. Mr. Speaker, I appreciate very much the observation of the gentleman, in which I wholeheartedly concur.

PERSONAL EXPLANATION

Mr. COLLIER. Mr. Speaker, on rollcall No. 67, I was necessarily absent on official business. Had I been present I would have voted "nay" on the bill H.R. 7371, the appropriation bill for the Departments of State and Justice.

Mr. Speaker, on rollcall No. 65, I was necessarily absent on official business. Had I been present I would have voted against the motion to recommit the bill, H.R. 1986, the Railway Express legislation.

WAGMIGHT CONTROVERSY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, I have noted a number of comments and some controversy about the status of Wagmight. These have been prompted by congressional and other inquiries directed to representatives of the Department of Defense. It does not appear a thorough discussion of the facts in this matter has been brought to the attention of the public, and I take this opportunity to attempt to clarify misconceptions which apparently exist.

It might be noted here that insofar as I can determine the Wagmight controversy was first revealed in the hearings in the spring of 1960 before the Defense Subcommittee of the House Appropriations Committee. There had been earlier publicity about Wagmight, but at these hearings it was revealed that proponents of the Wagmight advanced a set of views which were directly contrary to the official views of the Navy. The Navy's viewpoint was expressed principally by Vice Adm. J. T. Hayward, the Deputy Chief of Naval Operations. Admiral Hayward, I would like to add, is an officer of very great experience and recognized integrity and one in whom I have implicit confidence.

For the record, let it be said that the Wagmight concept is based upon the use of inflatable foldable aircraft for military missions. Several years ago, the Office of Naval Research initiated an inflatable aircraft project. A small number of these aircraft were built, all by the Goodyear Aircraft Corp. They were low-performance aircraft. They were

tested, and following two in-flight wing failures resulted in total loss of the aircraft, one of which killed the pilot, further flight testing was stopped. Modifications were made, and minor work continues, on an objective basis. Wagmight proponents claim that improved fabrics and other techniques would provide high performance aircraft, suitable for military missions.

A recent press release reported endeavors to renew interest in the Wagmight concept. It contained a statement that the Wagmight concept has been suppressed. This is not the case. The truth of the matter is that work on low-performance inflatable aircraft of various types continues. These include several evaluations of various Wagmight proposals for high-performance aircraft, including VTOL aircraft.

In order to fully clarify this matter, understanding of a number of points is necessary. I shall enumerate some of them.

The feasibility of inflatable aircraft concept was established through the development of about 10 very low-speed aircraft—60-70 knots—for possible observation or rescue operations under a contract with the Goodyear Aircraft Corp. jointly sponsored by the Office of Naval Research and the Army. The initial development of the aircraft was funded beginning in 1956. It is felt that if an attempt were made to extrapolate a militarily useful vehicle in the high-speed range, one could be sure that many difficulties and problems would be encountered that would be both time consuming and costly.

The view that Wagmight would be a time-consuming and costly project is based upon extensive experience in the development of new and advanced weapons systems. While the system, as proposed, has been represented as simple and inexpensive, the development of a fully operational combat vehicle would obviously entail all of the usual development costs attributable to components and component systems and installations, powerplant, electronics, equipage, and flight tests, as in any other new aircraft plus those unique to the inflatable concept. The claimed savings, if any, would have to be realized in the airframe structure alone, that is, in the basic shell of the airplane not including such items as landing gear, cockpit, cockpit enclosure, controls, and so forth. The cost of that portion of an airplane in which metal could conceivably be replaced by inflatable fabric is not a large fraction of the total cost of its development. Furthermore, it appears that there are so many engineering unknowns in such a development that it could take longer and cost more than conventional structures. Success is not expected in folding the many components, electronics, instruments, and various interconnections needed in military aircraft.

During the fiscal year 1962 budgetary reviews, no military service requested research and development funding for Wagmight or for any high-performance inflatable aircraft.

The most recent proposed adaptation of the Wagmight concept is a V/STOL—vertical/short takeoff and landing—aircraft. The proponents of Wagmight were made aware of, and were given the opportunity to participate in, the triservice VTOL transport aircraft competition. By this means it could compete with the other designs submitted against a common performance requirement, to be evaluated by the Army, Navy, and Air Force for selection. A contractor known to have been associated with the Wagmight concept advised the Bureau of Naval Weapons that no proposal would be submitted by the contractor. No proposals were received by the Bureau of Naval Weapons that utilized the inflatable fabric principle.

During recent exhaustive discussions between the Department of Defense and the services regarding development of tactical aircraft for missions requiring high performance, there were no proposals made in support of Wagmight or inflatable aircraft, even though the Army, Navy, Air Force, and Department of Defense research and engineering representatives were aware of the Wagmight concept.

The Navy has repeatedly and carefully evaluated and reevaluated various Wagmight proposals. These patient and objective reviews are a credit to the Navy and to the Deputy Chief of Naval Operations, Admiral Hayward. These reviews have all indicated that an aircraft employing the Wagmight techniques would not have sufficient military value to provide an effective weapons system. Further, the concept of an inflatable airframe would not lend itself to application in high-performance aircraft carrying essential military equipment, and the proposed operational advantages are not technically realizable. The proposal for a Wagmight V/STOL aircraft represents an inferior mechanical and aerodynamic solution to V/STOL problems.

Recently the Secretary of the Navy and senior cognizant naval officials examined a letter advancing the Wagmight V/STOL concept in the light of the views of the Navy's technical experts on this matter. Despite previous findings, it is my understanding that the Navy will again reexamine the Wagmight V/STOL concept, on the basis of all available information on the feasibility and practicability of the Wagmight V/STOL.

It appears to me that the basic issues of this matter may be considered to involve the integrity and the technical competence of the individuals concerned. I am confident that there is no question regarding this with regard to those responsible naval officials who have been associated with this matter. In particular, I stand by Admiral Hayward. His services to the Navy and the Nation have been outstanding in every particular. I am confident that he and his military and civilian advisers have given fair and objective consideration to and will properly deal with this matter and that their decisions have been and will be in the best interest of the United States. I am convinced this is not a project which carrier admirals are seeking to destroy. Its weaknesses are objected to by the rank and file of Navy personnel, the people who would fly and maintain the craft.

For further clarification of the record, I submit copies of correspondence on the Wagmight from responsible and high-ranking officials in the Government and I submit a news release by the Secretary of the Navy on the subject.

FEBRUARY 8, 1960.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: I regret we are unable to supply you with a cost estimate for a thorough research and development program for Wagmight. Information available to this office regarding the inflatable-aircraft concept has indicated that most of the investigations have been directed toward a feasibility study of such a vehicle and do not include detailed cost estimates.

The comment in my letter of January 7 to you that Wagmight would be a time consuming and costly project is based upon our extensive experience in the development of new and advanced weapons systems. While the system as proposed has been represented as simple and inexpensive, the development of a fully operational combat vehicle would obviously entail all of the usual development costs attributable to components and component systems and installations, powerplant, electronics, equipage, and flight tests, as in any other new aircraft, plus those unique to the inflatable concept. The claimed savings, if any, would have to be realized in the airframe structure alone, that is, in the basic shell of the airplane not including such items as landing gear, cockpit, cockpit enclosure, controls, etc. The cost of that portion of an airplane in which metal could conceivably be replaced by inflatable fabric is not a large fraction of the total cost of its development. Furthermore, it appears that there are so many engineering unknowns in such a development (for example, in making seams of predictable strength, a problem that has already given trouble in a much simpler application) that it would probably take longer and cost more than conventional structures.

An analysis of the Wagmight proposal was made by the Research Division of the Bureau of Aeronautics who concluded that the project did not offer sufficient merit to recommend an all-out funding program to develop a weapons system. No report of the analysis was prepared.

If I can be of further assistance to you regarding our participation in this project please feel free to call on me.

Sincerely,

HERBERT F. YORK.

OFFICE OF THE DIRECTOR OF DEFENSE,
RESEARCH AND ENGINEERING,
Washington, D.C., April 20, 1961.

Mr. PAUL L. SCHMITZ.

DEAR MR. SCHMITZ: Your telegram of March 21, 1961, to the President regarding Project Wagmight has been referred to this office.

On behalf of the Department of Defense, the Bureau of Naval Weapons is administering a design competition for a triservice VTOL transport aircraft operational prototype. This competition had a closing date of April 3, 1961. As a prelude, a large number of companies were asked whether they wished to be included on the invitation to bid list.

The proponents of Wagmight were made aware of, and thus were given an opportunity to participate in, this competition. A contractor in Akron, Ohio, who has been associated with the Wagmight concept, received

this inquiry and declined to submit a proposal. Of the large number of proposals received, none utilized the inflatable fabric principle.

The Wagmight concept for a military aircraft, in every case so far wherein it has been evaluated on a purely technical and impartial basis, has proved unable to demonstrate superiority over other programs of lesser risk and greater promise. I must, therefore, reiterate that no further action is warranted.

Sincerely,

T. C. MUSE,
Director of Aeronautics.

STATEMENT BY THE SECRETARY OF THE NAVY REGARDING PROPOSALS FOR AN INFLATABLE AIRCRAFT CONCEPT BY CAPT. COOPER BRIGHT, U.S. NAVY

Since assuming office, I have encouraged the development and submission of new ideas.

The idea of an inflatable aircraft frame is not new. Many proposals have been reviewed over the years. The low performance, so-called inflatoplane project, begun in 1957 actually reached the flight test stage with 10 vehicles ordered from the Goodyear Corp. Two of them were lost in crashes—one fatal to the test pilot.

The so-called Wagmight idea is similar, but was conceived later and separately. Despite repeated reviews of the project, it has not been adopted or pursued because the Navy's top scientific and engineering experts found the proposals to be impractical in the light of the state of the art in inflatable structures.

The latest revival of the theory is occasioned by the reorientation of the Wagmight concept to the current vertical takeoff and landing vehicle studies being conducted by the Bureau of Naval Weapons.

I have diretced Capt. Cooper Bright to provide the Bureau of Weapons with his complete V/STOL concept, including all supporting data available to him. The concept will be given a full and unbiased consideration, along with the other V/STOL proposals submitted by industry.

Assistant Secretary of the Navy for Research and Development, Dr. James H. Wakelin, will monitor the program. Should the facts warrant, additional counsel and advice of appropriate industries will be sought.

Captain Bright's transfer to duty in San Francisco is a normal rotation of duty, since he has completed over 3 years of service here in Washington. It has no connection with his current activities in reviving the Wagmight proposal as a V/STOL vehicle.

However, his departure from Washington may be deferred as necessary to allow him to provide his supporting V/STOL data to the Bureau of Naval Weapons.

Some reports have stated that Captain Bright had been ordered to destroy his plans. Captain Bright prepared a brochure and had this printed at Government expense for the apparent purpose of promoting his idea outside the Navy. His superiors very properly ordered him to dispose of the copies he had not already distributed, and instructed him to cease using the Government printing facilities to support his private ideas.

After personally going into the matter, it is my opinion that this basic theory—far from being stifled—has received as much attention in the last 3 years as any unadopted concept.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. CAHILL (at the request of Mr. ARENDS) for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CLEM MILLER, for 60 minutes, on Monday and 60 minutes on Tuesday of next week.

Mr. SIKES, for 15 minutes, today.

Mr. PILLION, for 90 minutes on Monday, June 12, and 90 minutes on Tuesday, June 13.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE in three instances and to include extraneous matter.

Mr. DOYLE in two instances and to include extraneous matter.

Mrs. REECE and to include some excerpts from a speech made by Senator KEFAUVER, at Memorial Day ceremonies held on May 28.

Mr. RIVERS of Alaska.

Mr. ALFORD and to include extraneous matter.

Mr. PHILBIN in two instances.

Mr. LINDSAY.

Mr. ALGER.

The following Members (at the request of Mr. CURTIS of Missouri) and to include extraneous matter:

Mr. KEARNS in two instances.

Mr. ROUDEBUSH.

Mr. SAYLOR.

The following Members (at the request of Mr. WRIGHT) and to include extraneous matter:

Mr. FLOOD.

Mr. O'NEILL.

Mr. ROBERTS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1720. An act to continue the authority of the President under title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world; to the Committee on Foreign Affairs.

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. 4327. An act to amend section 714 of title 32, United States Code, to authorize certain payments of deceased members' final accounts without the necessity of settlement by General Accounting Office; and

H.R. 4940. An act relating to duty-free imports of Philippine tobacco.

ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Tuesday, June 6, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

977. A letter from the Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during April 1961 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.) as amended, pursuant to Public Law 85-128; to the Committee on Agriculture.

978. A letter from the Assistant Secretary of the Navy (Installations and Logistics), relative to the proposed transfer by the Department of the Navy patrol craft YP-583 to the North Carolina Tuberculosis Association, Inc. of Raleigh, N.C., pursuant to title 10, United States Code, section 7308; to the Committee on Armed Services.

979. A letter from the Chairman, Legal Aid Agency for the District of Columbia, transmitting the First Annual Report of the Legal Aid Agency for the District of Columbia for the period November 15, 1960, to May 15, 1961, pursuant to Public Law 86-531; to the Committee on the District of Columbia.

980. A letter from the Administrator, General Services Administration, transmitting a draft of a proposed bill entitled "A bill to amend section 109 of the Federal Property and Administrative Services Act of 1949, as amended, so as to remove the limitation on the maximum capital of the general supply fund"; to the Committee on Government Operations.

981. A letter from the Comptroller General of the United States, transmitting a report on the review of selected supply activities of the U.S. Army Signal Depot, Ascom City, Korea; to the Committee on Government Operations.

982. A letter from the Under Secretary of the Interior, transmitting the fifth annual report of operations conducted by or under contract with the Bureau of Commercial Fisheries of the Department of the Interior to encourage the distribution of domestically produced fishery products, pursuant to 70 Stat. 1119; to the Committee on Merchant Marine and Fisheries.

983. A letter from the Governor, Canal Zone Government, transmitting a draft of a proposed bill entitled "A bill to revise the Canal Zone Code, approved June 19, 1934, as amended, and to enact it, as revised, into law as a new code of laws for the Canal Zone, and for other purposes"; to the Committee on the Judiciary.

984. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

985. 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 Public Law 863, 80th Congress; to the Committee on the Judiciary.

986. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of the orders granting the applications for permanent residence filed by the subjects, pursuant to the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

987. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of an order suspending the deportation of Constantinos Partheniades, A6975372, pursuant to the Immigration and Nationality

Act of 1952; to the Committee on the Judiciary.

988. 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; to the Committee on the Judiciary.

989. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps may exercise command outside the Army Medical Service when directed by proper authority"; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of June 1, 1961, the following bills were reported on June 2, 1961:

Mr. WHITTEN: Committee on Appropriations. H.R. 7444. A bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1962, and for other purposes; without amendment (Rept. No. 448). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Appropriations. H.R. 7445. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes; without amendment (Rept. No. 449). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted June 3, 1961*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Committee on Ways and Means. H.R. 7446. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise tax rates; without amendment (Rept. No. 450). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of June 1, 1961, the following bills were introduced June 2, 1961:

By Mr. WHITTEN:

H.R. 7444. A bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

By Mr. THOMAS:

H.R. 7445. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

[*Introduced and referred June 3, 1961*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 7446. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Ways and Means.

By Mr. ANFUSO:

H.R. 7447. A bill to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers; to the Committee on Armed Services.

By Mr. BARING:

H.R. 7448. A bill to amend section 1362 of title 18 of the United States Code in order to provide penalties for malicious damage to certain private communication facilities; to the Committee on the Judiciary.

By Mr. BLATNIK:

H.R. 7449. A bill to create a Public Works Coordinator to promote long-range planning and coordination of public works, and for other purposes; to the Committee on Public Works.

H.R. 7450. A bill to provide that private aircraft may travel between the United States and Canada or Mexico without requiring the owners or operators thereof to reimburse the United States for extra compensation paid customs officers and employees; to the Committee on Ways and Means.

By Mr. BOGGS:

H.R. 7451. A bill to amend section 302 (b)(1) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. BREWSTER:

H.R. 7452. A bill to amend title II of the Career Compensation Act of 1949 so as to provide that certain members of the uniformed services shall not be entitled to receive any pay or allowances from the United States after engaging in any activity or conduct, while a prisoner of war, which results in the giving of aid or comfort to an enemy of the United States; to the Committee on Armed Services.

By Mr. BURKE of Massachusetts:

H.R. 7453. A bill to provide for the recomputation of annuities of certain officers and employees of the Federal Government retired under the Civil Service Retirement Act of May 29, 1930, as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COOK:

H.R. 7454. A bill consenting to the amendment of the compact between the States of Pennsylvania and Ohio relating to Pymatuning Lake; to the Committee on the Judiciary.

By Mr. DANIELS:

H.R. 7455. A bill declaring October 12 to be a legal holiday; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 7456. A bill to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 7457. A bill to provide for adjusting conditions of competition between certain domestic industries and foreign industries with respect to the level of wages and the working conditions in the production of articles imported into the United States; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 7458. A bill to amend the Interstate Commerce Act and certain supplementary and related acts with respect to the requirement of an oath for certain reports, applications, and complaints filed with the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. KEARNS:

H.R. 7459. A bill to extend for 3 years the temporary provisions of Public Laws 815 and 874, 81st Congress, and to make certain changes in such laws; to the Committee on Education and Labor.

H.R. 7460. A bill to grant the consent of Congress to an amendment to the compact between the States of Pennsylvania and Ohio relating to Pymatuning Lake; to the Committee on the Judiciary.

By Mrs. KEE:

H.R. 7461. A bill to amend sections 210, 4103, and 4107 of title 38, United States Code, to provide increased compensation for medical personnel of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KING of Utah:

H.R. 7462. A bill to curb monopolistic control of professional boxing, to establish within the Department of Justice the Office of the National Boxing Commissioner, and for other purposes; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 7463. A bill to provide for the issuance of a postage stamp in honor of the life and contributions of Henry Ford; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania:

H.R. 7464. A bill relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes; to the Committee on Education and Labor.

By Mr. SIKES:

H.R. 7465. A bill to provide that owners of surface rights to certain real property, the subsurface mineral rights of which are owned by the United States, shall have the right to purchase such mineral rights; to the Committee on Interior and Insular Affairs.

By Mr. THOMAS:

H.R. 7466. A bill granting the consent and approval of Congress to the southern interstate nuclear compact, and for related purposes; to the Committee on the Judiciary.

By Mr. TRIMBLE:

H.R. 7467. A bill to provide for the issuance of a special postage stamp in commemoration of the 100th anniversary of the Battle of Pea Ridge; to the Committee on Post Office and Civil Service.

By Mr. WILLIS:

H.R. 7468. A bill to revise the Canal Zone Code, approved June 19, 1934, as amended, and to enact it, as revised, into law as a new code of laws for the Canal Zone, and for other purposes; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Hawaii, memorializing the President and the Congress of the United States to enact legislation to provide for the retirement of and additional benefits for reservists with 20 or more years of satisfactory service; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Hawaii, memorializing the President and the Congress of the United States to enact legislation which will provide Federal aid to public education; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Maine, memorializing the President and the Congress of the United States to extend the northern terminus of the proposed interstate highway from Houlton to some point located on the northern boundary of the State of Maine; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts:

H.R. 7469. A bill for the relief of Daniel Walter Miles; to the Committee on the Judiciary.

By Mr. GAVIN:

H.R. 7470. A bill for the relief of Willard Edwin Kramer; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 7471. A bill for the relief of Richard I. Young; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 7472. A bill for the relief of Sum Chun Kuai; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 7473. A bill for the relief of Albert R. Serpa; to the Committee on the Judiciary.

By Mr. WALLHAUSER:

H.R. 7474. A bill for the relief of Helmut Scholz; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

161. By Mr. KING of Utah: Petition of the city council and mayor of Fillmore City, Utah, concerning building of transmission lines for marketing of Flaming Gorge and Glen Canyon Dams in Upper Colorado River storage project; to the Committee on Appropriations.

162. Also, petition of the Upper Colorado River Commission at its adjourned regular meeting held in Denver on May 11, 1961, unanimously endorsing the San Juan-Chama and Navajo Indian irrigation projects in the States of Colorado and New Mexico; to the Committee on Interior and Insular Affairs.

163. By the SPEAKER: Petition of J. B. Bassett and others, Santa Clara, Calif., petitioning consideration of their resolution with reference to the control of obscene literature, and requesting passage of the bills H.R. 1826 and S. 162; to the Committee on Education and Labor.

164. Also, petition of C. C. Robinson and others, Texas City, Tex., petitioning consideration of their resolution with reference to requesting the withholding of Federal funds for education from those States which refuse to desegregate their public schools; to the Committee on Education and Labor.

165. Also, petition of Harold Elsten, Cortland, N.Y., relative to a grievance relating to *Elsten* v. *U.S. and FCC;* to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The Department of the Interior Shoots From the Hip When It Declares It Cannot Afford To Present the National Symphony Orchestra at the Carter Barron Amphitheater Which Was Given to the Nation's Capital by the People of the United States

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1961

Mr. KEARNS. Mr. Speaker, it is always instructive to us old hands in the Congress to have replies shot from the hip at us by minor officials in Federal departments and agencies which hit the front pages of the newspapers even before we get an official answer to our letters to the heads of those Federal departments and agencies.

Such was the case this morning when the Washington (D.C.) Post published a reply of a kind by T. Sutton Jett, Superintendent of the National Capital Parks, to a letter I wrote to the Secretary of the Interior on June 1. I have not yet had a reply from the Secretary of the Interior, although I continue to hope that he will answer my letter himself instead of having a minor official reply to it in this manner.

It may be that the Secretary of the Interior is too busy with his hikes up the historic canal on the outskirts of the Nation's Capital to answer his own mail.

But it does seem extremely interesting to me to learn that the Department of the Interior cannot afford to present the National Symphony Orchestra at the Carter Barron Amphitheater.

Puerto Rico can afford the Pablo Casals Festival, but the richest Nation in the world cannot afford to present the National Symphony Orchestra of the Nation's Capital in the Nation's Capital.

The Nation's Capital spends $16,000 a year on art, probably the smallest sum spent by any city in the United States.

The present sum of $16,000 for the arts will not be raised unless the Congress, which is in charge of the purse strings regarding local appropriations of the city of Washington, raises it.

The Department of the Interior, and the District of Columbia Recreation Department—both of which have been directed to carry on cultural and artistic programs in the Nation's Capital—have a responsibility to ask the Congress to appropriate the necessary funds out of local tax revenues and to match that amount with appropriated funds, since the Federal Government is by far the largest employer in the Nation's Capital.

The Federal Government cannot continue any longer to occupy its present anomalous position which, by its control of the purse strings in the Nation's Capital, denies to the people of the Nation's Capital the right to appropriate their own tax funds for the support of cultural activities; and by its control of the Carter Barron Amphitheater denies its use for the National Symphony Orchestra and other local nonprofit cultural groups.

I include as part of my remarks a second letter which I have addressed to the Secretary of the Interior in the hope that I will receive a reply from him and not from a member of his staff.

I also include a study by the Library of Congress of municipal support for the arts in the United States:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 5, 1961.

Hon. STEWART L. UDALL,
Secretary, Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: It is always instructive to us old hands in the Congress to have replies shot from the hip at us by minor officials in Federal departments and agencies which hit the front pages of the newspapers whenever we write to the heads of those agencies; and even before we get an official answer.

I wrote to you on June 1 pointing out, among other things, that Puerto Rico, in the Pablo Casals Festival, had a much higher cultural content to that program than the Capital City of the richest Nation in the world had in the Carter Barron Amphitheater program run by the Department of the Interior. So far, I have had no reply to my letter.

You are advised that my letter was hand delivered to your office on May 31. This morning I have had a reply of a kind to my complaint that the Department of the Interior has no place in its Carter Barron Amphitheater programs for the National Symphony Orchestra and other nonprofit cultural groups of the Nation's Capital. The National Symphony Orchestra is the only major symphony orchestra in the United States without a summer season.

In a front-page article in the Washington Post of June 5, 1961, we find the following information: "We would love to have them there," T. Sutton Jett, Superintendent of the National Capital Parks charged with administration of the amphitheater said, referring to the National Symphony, "but we can't afford them."

A study made by the Library of Congress in 1959 and inserted in the CONGRESSIONAL RECORD by both Senator HUBERT H. HUMPHREY and Representative HARRIS B. McDOWELL, JR., showed that the Nation's Capital spends annually on the arts the fantastic sum of $16,000. This is the lowest amount of any city in the United States except Hagerstown, Md., which spends $12,500 on the fine arts, according to the study.

In the 86th Congress bills were introduced by Senator HUMPHREY, Senator MORSE, Representatives HARRIS B. McDOWELL, JR., and Representtaive FRANK THOMPSON, JR., setting aside 1 mill, or one-thousandth of a dollar, out of local taxes for cultural programs. It was estimated at the time that this would raise $185,000 at a minimum for cultural programs.

This year, Senator CLARK, of Pennsylvania, Congressman FRANK THOMPSON, Congressman POWELL, of New York, Congressman CHELF, of Kentucky, and Congressman CELLER, of New York have introduced legislation providing a Federal-State grant-in-aid program to help the fine arts. I have cosponsored this legislation and I am happy to advise you that $100,000 would be provided annually for the District of Columbia art programs including those at the Carter Barron Amphitheater.

However, since the Department of the Interior has the largest cultural facility in the Nation's Capital in its charge, it should have come to the Congress for the funds necessary to properly present the National Symphony Orchestra and other nonprofit cultural programs such as the Washington Civic Opera Company, the Children's Theater of Washington, the Washington Ballet Company, and other groups at the Carter Barron Amphitheater.

The present appropriation of $16,000 for the fine arts won't be raised unless the Congress, which is in charge of the purse strings regarding local appropriations of the city of Washington, raises it. It won't raise it to anywhere the sums spent on the arts by other cities until you, Mr. Secretary, and others, including the District of Columbia Recreation Department, which is charged by the Congress with carrying on cultural programs in the Nation's Capital together with the Department of the Interior, seriously get down to the business of developing the kind

of cultural program which the Congress authorized in the Carter Barron Amphitheater Act, and the act establishing the District of Columbia Recreation Department.

It was with this in mind, Mr. Secretary, that I suggested in my letter that a special advisory committee made up of educational, cultural, and fine arts experts and leaders should be set up to make a study of how the Carter Barron Amphitheater could be made a major cultural force. I said that the Department of the Interior's stewardship of the Carter Barron Amphitheater as a cultural facility over the years should be subjected to a critical and searching analysis and no attempt to justify sins of omission or commission should be permitted. Nor should any bureaucratic whitewash be attempted.

In view of the evident feeling at the Department of the Interior that the richest nation in the world can't afford a worthy cultural program in the Carter Barron Amphitheater which was the gift of the people of this Nation to the Nation's Capital for such program, the special advisory committee should undertake a study of how such programs are financed in other major cities of the United States and Europe.

The Federal Government cannot continue any longer to occupy its present anomalous position which, by its control of the purse strings, denies to the people of Washington, D.C., the right to appropriate their own tax funds for the support of cultural activities, and by its control of the major summer cultural facility denies its use for the National Symphony Orchestra, the Washington Ballet Co., the Washington Civic Opera, the Children's Theater, and other local cultural groups.

You must know, Mr. Secretary, that the Water Gate is no longer suitable for cultural programs due to the fact that at least one great 4-engine airplane flies immediately overhead every minute as the landing field at the National Airport is approached.

The Federal Government shows not the slightest concern for this situation, and has consistently supported the airplanes over culture. Having made the Water Gate unsuitable by the airflight landing patterns, it now says that it cannot afford to use the Carter Barron Amphitheater for major cultural programs.

If this situation doesn't cry for a broad-based inquiry then nothing does.

No doubt sick jokes and burlesque hall humor pays its way. This is the way with things in our society where educational and cultural programs are crowded out of the television programs by soap operas, westerns, and a myriad of other items which are able to find wealthy sponsors, who can write their cost off as business expenses.

As I said in my letter of June 1, which I hope you will soon find time to answer even though it might keep you from a hike up the canal in this beautiful weather, the American people want something better than is so easily available to them and their children in the Carter Barron Amphitheater and over the television stations. They want something vital, alive, and close to the American dream and the American promise. I wrote you, too, that "the sweep of history has made the United States the leader of the free world, and we must compete with the Soviet Union for the minds and the hearts of men everywhere in the world." The United States, and its National Capital "must take its place" beside other nations and other capital cities in support of cultural matters. That the Nation's Capital is behind even such a provincial capital city as Tiflis, U.S.S.R., should and must be a matter of concern to you, Mr. Secretary, just as it is to me if only because of the cold war and the competition of the Soviet Union. I shall look forward to hearing from you personally on this matter, Mr. Secretary. I enclose herewith a copy of the Library of Congress study to which I have referred.

Sincerely yours,

CARROLL D. KEARNS,
Member of Congress.

Municipal financial support of certain artistic and cultural activities in selected U.S. cities, a compilation of answers to a questionnaire

City	Amount of municipal financial support	Source of municipal financial support	Type of activity supported
Akron, Ohio	$36,000	General fund (indirect support in lieu of tax for facility).	Art museum.
	$5,000,000	Direct tax construction cost	Plans for the construction of a municipal auditorium and "cultural grouping for arts, library and arena."
	1 or 3 parts of a $100,000 recreation program	General fund (part of "recreation program")	Band concerts.
Atlanta, Ga	$7,500	General fund	Atlanta Symphony Guild.
	$6,000	do	Atlanta Pops Concert.
	$5,000	do	Municipal Theater Under-the-Stars.
	$10,000	do	Atlanta Art Association for Benefit High Museum and School of Art.
Baltimore, Md	1959 appropriations:		
	$25,594	do	Municipal Museum.
	$119,994	do	Bureau of Music.
	$288,000	Endowment funds (estimated income)	Walters Art Gallery.
	$15,000	General funds (pensions)	
Birmingham, Ala	$90,000 (this year's appropriation)	General funds	Birmingham Museum of Art.
Buffalo, N.Y	Appropriated in 1958-59:		
	$73,430	Real estate tax and other current revenues	Albright Art Gallery.
	$30,000	do	Buffalo Philharmonic Orchestra Society, Inc.
	$27,300	do	Kleinhans Music Hall.
Chicago, Ill	Calendar year 1958:		
	$232,405.87	Payments from Chicago Park District, an independent municipal corporation in the city of Chicago	Art Institute of Chicago.
	$232,369.11	do	Museum of Science and Industry.
	$232,405.92	do	Chicago Natural History Museum (Field Museum).
Dallas, Tex	$80,000	General revenues, "the major part of which is ad valorem tax."	Fine Arts Museum.
Detroit, Mich	1959-60 gross appropriation, $543,081	Local taxes, grants and gifts, and revenues	Arts Commission.
Evansville, Ind	1959 contribution, $9,200 Proposed budget for 1960, $18,400	Civil City of Evansville	Evansville Museum of Arts and Sciences.
	1959 contribution, $9,200 Proposed budget for 1960, $18,400	School City of Evansville [1]	Do.
Hagerstown, Md	$12,500 (provided for in annual budget)	General revenues	Washington County Museum of Fine Arts.
Houston, Tex	$19,500	do	Museum of Natural History.
	$20,000	do	Museum of Fine Arts.
	$3,000	do	Civic Theater.
	$25,000	do	Houston Symphony.
Kansas City, Mo	For fiscal year ended Apr. 30, 1959:		
	$21,211	General fund; park funds	Nelson Art Gallery (buildings and ground maintenance).
	$9,925	General fund	Philharmonic Orchestra (free rent).
	$42,830	General debt and interest fund	Starlight Theater (debt service for facility developed by park department).
	$48,231	General fund	Museum (buildings and ground maintenance).
	$33,592	do	Liberty Memorial (operation and maintenance).
Los Angeles, Calif	Appropriation for fiscal 1959-60: $196,998	General revenues	Department of municipal art: bureau of music.
Newark, N.J	1959 appropriation: $525,426	Tax and general revenues	Newark Museum.
New Orleans, La	$40,000 annually	Appropriated by city	Delgado Museum of Art.
	Appropriated "this year":		
	$5,000	do	New Orleans Philharmonic Society.
	$2,500	do	New Orleans Opera House Association.
	$875	do	Crescent City Concerts.
New York, N.Y	$944,525 (operating budget, July 1, 1959, to June 30, 1960).	Tax levy and general fund revenues	Metropolitan Museum of Art.
	$904,989 (capital budget, Jan. 1, 1959, to Dec. 31, 1959).	Capital allocations	Do.
	$1,329,559 (operating budget, July 1, 1959, to June 30, 1960).	Tax levy and general fund revenues	American Museum of Natural History.
	$1,071,985 (capital budget, Jan. 1, 1959, to Dec. 31, 1959).	Capital allocations	
	$125,140 (operating budget, July 1, 1959, to June 30, 1960).	Tax levy and general fund revenues	Brooklyn Institute of Arts and Children's Museum.
	$95,866 (operating budget, July 1, 1959, to June 30, 1960).	do	Brooklyn Institute of Brooklyn Academy of Music.
	$69,510 (capital budget, Jan. 1, 1959, to Dec. 31, 1959).	Capital allocations	Do.

See footnotes at end of table.

Municipal financial support of certain artistic and cultural activities in selected U.S. cities, a compilation of answers to a questionnaire—Continued

City	Amount of municipal financial support	Source of municipal financial support	Type of activity supported
New York, N.Y	$127,000 (operating budget, July 1, 1959, to June 30, 1960).	Tax levy and general fund revenues	Museum of the City of New York.
	$50,250 (capital budget, Jan. 1, 1959, to Dec. 31, 1959).	Capital allocations	
Norfolk, Va	$2,000	General revenue	Norfolk Symphony Orchestra.
	$69,083	do	Norfolk Museum of Arts and Sciences.
Oakland, Calif	1958-59:		
	Salaries for a professional staff of 6 plus $2,000 allowance for books and $500 for pictures.	Annual appropriations by city council to library department from which library and museums commission adopts an operating budget.	Art and pictures department of main library.
	$70,377	do	Oakland Public Museum.
	$57,212	do	Art Museum.
	$31,577	do	Snow Museum.
Philadelphia, Pa	$25,000	General revenues	Academy of Fine Arts.
	$75,000	do	Robin Hood Dell.
	$25,000	do	Philadelphia Grand Opera.
	$624,760	do	Philadelphia Art Museum and Rodin Museum.
	$30,000	do	Johnson paintings.
	$10,000	do	Philadelphia Art Festival (every 2 years).
Pittsburgh, Pa	$35,000 (1959)	General revenues (through specific appropriations each year).	Pittsburgh Symphony.
	$20,000 to $30,000 (annually)	do	Free summer band concerts.
	$25,000 (approximate cost to city annually)	do	Arts and Crafts Center.
Providence, R.I	Current appropriations:		
	$24,877	General revenue	Museum in Roger Williams Park.
	$1,500	do	Band concerts.
Reading, Pa	$140,000 (approximate expenditures for 1959).	General revenues (budgeted annually according to estimated needs).	Recreation Bureau (sponsors orchestra, Nature Museum, etc.).
	$3,028 (1959)	do	Bureau of parks weekly band concerts.
Richmond, Va	$5,000	Direct appropriation	Valentine Museum.
Rochester, N.Y	1959-60 expenditures:		
	$10,000	General revenues or real estate taxes	Civil Music Association.
	$20,000	do	"Opera Under the Stars."
	Not indicated	Not indicated	Museum.
Sacramento, Calif	1959-60 budget amounts:		
	$4,500	General ad valorem taxes	Philharmonic Orchestra.
	$4,000	do	Park band concerts.
	$66,866	do	Crocker Art Gallery (city-owned).
	$17,000	do	Children's art and dancing classes (city recreation department).
St. Louis, Mo	1958 Revenue: $320,007.53	Permanent levy of $0.02 per $100 valuation on all real and personal property (established under State law in 1907).	St. Louis Art Museum.
St. Paul, Minn	1959 city budget appropriations:		
	$13,500	Appropriations "financed as part of the overall city budget."	St. Paul Gallery and School of Art.
	$10,000	do	St. Paul Civic Opera.
San Antonio, Tex	$81,000 (approximate budget for ensuing year).	Supported primarily by general fund	Witte Museum.
	$81,000	do	2 municipal auditoriums.
	$1,500	do	San Pedro Playhouse (auditorium devoted primarily to theatrical productions).
San Diego, Calif	1959-60 city budget:		
	$57,159	General revenues	Fine Arts Gallery.
	$19,289	do	Serra Museum (local history).
	$48,715	do	Natural History Museum.
	$45,949	do	Museum of Man (anthropology).
	$10,000	do	San Diego Symphony.
San Francisco, Calif	1958-59 budget:		
	$158,365 (taxes, $120,665; other, $37,700)	Budget of the city and county of San Francisco	Art commission.
	$35,493 (taxes)	do	War Memorial Art Museum.
	$255,456 (taxes, $254,856; other, $600)	do	California Palace of the Legion of Honor (art museum).
	$367,942 (taxes, $367,692; $250)	do	De Young (art) Museum.
Scranton, Pa.	An average of about $28,740 per annum over the past 10 years.	General funds	Everhart Museum.
Seattle, Wash	$233.37	City's annual budget funds without regard to income source.	Art commission.
	$34,097.55	do	Art museum.
	$18,000	do	Public music.
	$62,743.57	do	Art division of the library department.
Springfield, Mass.[2]	$33,127.93	General tax revenues	Museum of Natural History.
	$31,092.45	do	George Walter Vincent Smith Museum.
	$18,161.40	do	William Pynchon Memorial (Connecticut Valley Historical Museum).
	$1,267	do	Springfield Museum of Fine Arts.
	Not indicated	do	Fine arts department of library.
Syracuse, N.Y	$25,000 appropriation annually	General tax levy	Syracuse Museum of Fine Arts (privately chartered institution).

[1] City budget for 1960 based on 1 cent per $100 valuation of the city. Funds provided by taxes earmarked for this specific purpose.

[2] Included in the library budget is the position of musical adviser, which is the way in which the city contributes to the salary of the conductor of the Springfield Symphony Orchestra.

Source: Compiled by Anne M. Finnegan and Helen A. Miller, Education and Public Welfare Division, Legislative Reference Service, Library of Congress, July 29, 1959.

Bar Mitzvah Year, State of Israel Celebration at Lawrence, Mass.

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include part of my remarks at the celebration of the bar mitzvah year of the State of Israel, sponsored by the Greater Lawrence Zionist District, Jewish Community Center, Lawrence, Mass., Sunday, June 4, 1961. President Abraham Rappaport presided at this well-attended and interesting meeting in which several of the speakers cited the progressive accomplishments of the State of Israel in the past 13 years.

The State of Israel has grown up.

On May 14, 1961, its people celebrated the 13th anniversary of their independence day.

This is the happy bar mitzvah year when the young nation crosses the threshhold to adulthood. The comparison between the life of reborn Israel, and the life of every Jewish boy, is a testament to hope and responsibility. In Jewish families, when a boy reaches the age of 13, he passes through the sacred ceremonies of bar mitzvah to be recognized as a man in Jewish religious life. In the Jewish State of Israel, its 13th year is hailed as the transition from the struggles and tragedies of the early years when it was fighting for its life to a future of proud strength and development that it enters in 1961.

We, in the United States are proud of the brave little democracy on the shores of the Mediterranean, because in so many ways it

has followed our own example. Inspired by the goals of a free society, and with the pioneering spirit to overcome every hardship and challenge, Israel has won the admiration of the world.

By tremendous work and faith, it has become the showcase of democracy in the Middle East, and has become the beacon of hope to millions throughout that area and in nearby Africa who see what a free and independent people can accomplish when they have the opportunity to prove their worth.

Its population has expanded from 790,000 in 1948 to 2,150,000 in January 1961.

This dynamic republic has become virtually self-supporting as regards her food requirements. Industry is booming. Israel produces phosphates and minerals, cement, paper, automobiles, glass, electrical equipment, fruit juices, and canned foods. Prominent among her exports are citrus fruits, cut diamonds, textiles, chocolates and sweets, wines, and pharmaceutical products.

Over 100,000 tourists and pilgrims visit Israel during the year to pray at the shrines of their spiritual heritage and to witness the exciting progress of the present.

Most Israelis speak two or three languages.

There is encouragement and respect for excellence in every field. Science and the arts flourish. Everywhere you go, among Jews, Christians, and Mohammedans, you find people working together in human dignity and harmony.

It was on December 29, 1958, that the Committee for Interfaith Understanding in Israel and the World was created in Jerusalem, the capital city of Israel, and the spiritual and cultural center of Jewish people the world over. That understanding is the illuminating truth that all peoples in time must learn to practice and cherish.

At this bar mitzvah we do not say that there are no serious problems and difficulties in the future of Israel.

But we do say that in the spirit of young David who accomplished the impossible by overcoming the giant Goliath; that the reborn State of Israel has much to teach this Old World.

The Jewish people of the United States, by their great and generous encouragement, spiritual as well as financial, have helped to provide for and raise the fledgling State of Israel to manhood.

Members of the Greater Lawrence Zionist district share in this accomplishment.

By your contributions to the growth of Israel you serve the cause of human freedom.

Confederate Memorial Address

EXTENSION OF REMARKS

OF

HON. DALE ALFORD

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. ALFORD. Mr. Speaker, one of the greatest honors I have had in my capacity as a Representative in this distinguished body was to be invited to give the annual Confederate Memorial Address at the Confederate Monument in Arlington Cemetery on yesterday afternoon, June 4, 1961. The Confederate memorial services are sponsored annually by the Confederate Memorial Committee of the District of Columbia in cooperation with the United Daughters of the Confederacy and the Sons of Confederate Veterans. The address is as follows:

ADDRESS OF THE HONORABLE DALE ALFORD, CONFEDERATE MEMORIAL SERVICES, ARLINGTON NATIONAL CEMETERY, JUNE 4, 1961

It is a happy and proud occasion to be here with you today and witness this impressive ceremony, this Confederate memorial service and this rededication of a handsome monument to the memory of so many of our fallen heroes.

Just a few days ago, much of the Nation celebrated another Memorial Day but one lacking in the tradition and solemnity of this occasion. Instead, in an escape from its original concept, Memorial Day, itself, has become an occasion of sports events, outings, trips to the beaches, and slaughter on the highways.

This occasion we participate in here today is more in keeping with the objectives of a tiny group in Columbus, Ga., headed by Miss Lizzie Rutherford, who in 1866 banded together for the purpose of caring for the graves of the Confederate dead.

The date they chose was April 26, the anniversary of the surrender of the last Confederate leader of a major force to lay down his arms, Gen. Joseph E. Johnston.

Meanwhile, in another town that happened, coincidentally, to be named Columbus, similar plans were going forward. Sometime in the spring of 1866, a group of ladies in Columbus, Miss., determined to make the decoration of soldiers' graves an annual occurrence, and selected April 25 as the date. On that day a procession was held, the ladies bearing flowers to the cemetery and the ceremony included a memorial address and a prayer, as well as the decorating of the graves.

Thus it was in Dixie that any idea of any sort of a memorial for the fallen soldiers of the Civil War was given birth. And I am proud, as a loyal son of Dixie, to gather here with you other sons and daughters of the South, on this memorable occasion.

And I want to commend you especially for having the desire and the drive to keep your ceremony alive and active.

There is a very great need in this Nation today for organizations dedicated to patriotic ideals. I know there are times when many of us become a bit discouraged about the world in which we live and toil. We become puzzled, perplexed, and ofttimes bewildered by all the pressures, all the tensions of the times.

But then we are sustained, and we take new heart with each day's sunrise, because we have so many companions with us all along the way; folks with whom we can dip the cup of memory into the spring of our sacred heritage.

May I say to you that our patriotic organizations are so very, very important. On many occasions, I am invited to address chapters of the United Daughters of the Confederacy; posts and State and regional meetings of the American Legion; the Veterans of Foreign Wars; the DAV; and many other devoted patriotic groups, and I pause to salute each and every one of them and all of their members.

These and like groups are motivated not only by maintaining friendships and ideals, but also in aiding us, one and all, in living today and facing tomorrow better prepared because we know and treasure what went on yesterday.

To me, in this decade we are facing and which some may refer to as the sensational sixties, I love to recall that decade 100 years ago which so many of us look upon as the sacred sixties.

And we must take new hope from this backward turning in our thoughts. And we must take new courage.

For on all sides today, we find patriotic groups and patriotic individuals under fire. It almost seems to me that there is a conspiracy of some sort to discredit those of us who love America; those of us who love our traditions and cherish our sacred rights.

On all sides the cry goes up against the patriot. And it is only by banding together, and, yes, sticking together, in groups such as you represent today that we can as one unite and fling back the challenge to those who would tear us down.

So long as we can have such solid groups as are represented here today—just that long are we treading on solid ground.

And world conditions today dictate that we remain on solid ground. We have seen the collapse of Cuba to communism. We have seen the virtual swallowing up of Laos where we have poured so many, many millions of our hard-earned dollars, only to see them go down the drain.

Even at this moment, the President of the United States is conferring with the head of the Communist regime that has vowed to bury us.

Yes, these are troubled times.

And we have the great threat from within—the threat of Communist agents moving about this Nation as they will, safe in the knowledge that they have a certain protection afforded them by highly questionable decisions from our own Supreme Court.

Yes, because of these questionable decisions, is it not almost safer for a Communist agent, a provocator, if you please, to move about this Nation, than it is for a peaceable, law-abiding citizen to go about his daily chores?

Yes, this is just another threat, another peril, to which we all must remain constantly alert if we are to preserve and protect this beloved Nation. If we love our country; if we love our blessed freedom; if it is our burning desire to safeguard for our children and our grandchildren the same inherent, basic rights that our forefathers guaranteed to us by the toil of their hands and the sweat of their brows, we must be determined as never before to stand up and be counted in the fight that faces us all.

There is, and there can be, no middle ground.

That this danger is very real is best reflected by the comments of J. Edgar Hoover, a dedicated Communist fighter, following the riots at the hearings conducted by the House Un-American Activities Committee in San Francisco, last year. Said Mr. Hoover: "They revealed how it is possible for only a few Communist agitators, using mob psychology, to turn peaceful demonstrations into riots. Their success there must serve as a warning that their infiltration efforts aimed not only at the youth and student groups, but also at our labor unions, churches, professional groups, artists, newspapers, Government, and the like, can create chaos and shatter our internal security.

"Looking at the riots and chaos Communists have created in other countries, many Americans point to the strength of our Nation and say: 'It can't happen here.' The Communist success in San Francisco in May 1960, proves that it can happen here."

Yes, there is, and there can be, no middle ground in our fight. We must resist more keenly than ever the inroads being made upon our Nation by atheistic communism.

In these all too troubled times, just as it is altogether fitting and proper that we here today do recommemorate and rededicate this monument to those noble heroes for whom it stands in silent, but splendid, tribute, I say it is also altogether fitting and proper that we rededicate ourselves to the noble spirit and noble traditions for which they perished.

It is dismaying to me at times, as I look all around, to see an apparent dearth of national pride in our Government. It is disturbing to me to see, also, an apparent weakened national spirit among high officials. And we also see at times a mighty

nation that now appears hesitant to flex its muscles.

Now I am not saying to you that this Nation of peace-loving citizens should abandon its eternal quest for peace. I am not saying that we should send our sons back into another and more horrible war. But I do not agree, and I will never agree for 1 second, that this Nation should stand idly by while it is being blackmailed.

I refer, of course, to the situation in Cuba where the enemy has entrenched itself only 90 miles from our shores. I say it is high time that this Nation faced up to this Communist threat. We have too many of their agents and sympathizers running roughshod through this country today to permit the building up of a staging area just off the coast of Florida.

I say: Implement the Monroe Doctrine. It is just as effective a weapon today as it was when first conceived more than a century ago. I say tell the Communist meddlers in the Western Hemisphere to go home and stay home. And we must say it firmly.

I, too, am saddened by the fact that some citizens of this Nation have entered into an ill-begotten plan to ransom with tractors those 1,200 prisoners of the Communist Castro regime. To me, this is beneath the dignity of our country.

To me, the idea was best expressed by an Arizona newspaper, the Arizona Republic, which said in part: "Patrick Henry once asked his fellow man, 'Is life so dear or peace so sweet as to be purchased at the price of chains and slavery?' " Today, 186 years later, during which time we have grown from an infant nation of unlimited courage to a mighty nation which appears suddenly to have lost her national conscience, we might ask whether life is so dear or peace so sweet as to be purchased at the price of blatant blackmail? We think not.

What in heaven's name goes on here in the home of the free and the land of the brave?

Yes, it is a time for national reawakening; a time for national rededication; a time for us all to solemnly pledge that just as those noble heroes of the Confederacy died in pursuit of a cause, so must we, if it becomes necessary, be willing to give of our lives to the sacred cause of American greatness.

There can be no faltering along the way. There can be no giving halfheartedly of ourselves.

These are times that call for men, as Benjamin Hill wrote of the great Gen. Robert E. Lee, the immortal symbol of our Confederate heroes:

"When the future historian shall come to survey the character of Lee he will find it rising like a huge mountain above the undulating plain of humanity, and he must lift his eyes high toward heaven to catch its summit.

"He possessed every virtue of other great commanders without their vices. He was a foe without hate; a friend without treachery; a soldier without cruelty; a victor without oppression; and a victim without murmuring.

"He was a public officer without vices; a private citizen without wrong; a neighbor without reproach; a Christian without hypocrisy; and a man without guile.

"He was Caesar, without his ambition; Frederick, without his tyranny; Napoleon, without his selfishness; and Washington, without his reward. He was obedient to authority as a servant, and royal in authority as a true king.

"He was gentle as a woman in life; modest and pure as a virgin in thought; watchful as a Roman vestal in duty; submissive to law as Socrates; and grand in battle as Achilles."

There can be no greater goal for us all to attain this spirit of greatness; this spirit of devotion to God and country; this spirt of love of our sacred and cherished ideals.

Let us join hands and trod firmly along the way toward attaining this goal as we join in the solemn and memorable dedication service here today.

And what words could fit better this occasion than those of Virginia Frazer Boyle to another hero of the Confederacy, Gen. Nathan Bedford Forrest:

"His hoofbeats die not on fame's crimsoned sod,
But shall ring through his song and story.
He fought like a Titan and struck like a god,
And his dust is our ashes of glory."

Yes, as is written on the monument to the Confederate dead at the University of Virginia, "Fate denied them victory, but clothed them with glorious immortality."

I thank you.

Secretary Ribicoff on Educational Television

EXTENSION OF REMARKS

OF

HON. KENNETH A. ROBERTS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. ROBERTS. Mr. Speaker, under unanimous consent, I wish to include in the RECORD the excellent statement on educational television delivered before a subcommittee of the Interstate and Foreign Commerce Committee on May 17, 1961, by the Honorable Abraham Ribicoff, Secretary of Health, Education, and Welfare.

It is as follows:

STATEMENT BY ABRAHAM RIBICOFF, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, BEFORE THE SUBCOMMITTEE ON COMMUNICATIONS AND POWER OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, WEDNESDAY, MAY 17, 1961

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you to offer this testimony relating to six bills designed to complete a nationwide system of educational television.

I am here to support the general objective of these bills.

I shall also suggest some modifications through which I believe this objective will be more quickly and efficiently achieved. The modifications would be to meet technical situations in the television field.

The bills on which I am making this statement are: H.R. 965, by Representative OREN HARRIS, of Arkansas; H.R. 132, sponsored by Representative KENNETH A. ROBERTS, of Alabama; H.R. 5099, by Representative BYRON G. ROGERS, of Colorado; H.R. 5536, by Representative HARRIS B. MCDOWELL, JR., of Delaware; H.R. 2910, by Representative CLIFFORD G. MCINTIRE, of Maine; and H.R. 645, by Representative HALE BOGGS, of Louisiana.

The very fact that these gentleman come from geographical areas so widely scattered over the country is evidence of the general need for this legislation.

Each of these bills would authorize, for the purpose of educational television, grants to the States of a total not to exceed $1 million in any State. These grants would be used to assist public agencies and nonprofit organizations to acquire broadcasting apparatus for educational television.

H.R. 132, H.R. 5099, and H.R. 5336 include two further provisions:

1. State matching of Federal funds on a 50-50 basis.

2. State surveys of the needs for educational television and State plans for a construction program.

We recommend the inclusion of such provisions in the legislation. I do not believe that ETV stations will have enough vitality to survive unless the areas they serve show enough interest and put up at least half the funds. And I consider the most careful planning absolutely essential if the entire country is to be served by educational television.

For the surveys and plans we recommend the same amount mentioned in the three bills, an authorization of $520,000, with not more than $10,000 to be granted to any State.

For construction, we recommend the authorization of $25 million which when matched by the States would mean an investment which will average about $1 million for each State, which is included in all the bills.

The total authorization for Federal grants in the 4 years would thus be $25,520,000.

In addition, and for the technical reasons which will be developed in this testimony, we recommend—

1. That provisions be included whereby State plans may be developed cooperatively into interstate or regional plans.

2. That construction grants be made on a project-by-project and not a State-by-State basis.

Any one of the bills now before you could be modified to meet our recommendations.

THIS ADMINISTRATION FAVORS ETV

This administration strongly favors a nationwide system of educational television. No domestic challenge which faces us is more crucial than education.

Educational television could help us catch up on our schoolwork, in which, I regret to say, we are behind. It could focus sustained national attention on music, art, literature, and drama.

It could help us to make scientific progress. And educational television will advance as science advances.

Already an experiment is underway on an airborne instructional program in the Midwest. We look forward to a future in which information and instruction may be conveyed from nation to nation through installations in outer space.

President Kennedy in his education message of February 21 this year said: "Our twin goals must be a new standard of excellence in education—and the availability of such excellence to all who are willing and able to pursue it."

The achievement of those two goals could be hastened by the legislation now before you. Television is as great in its possibilities of increasing the excellence of education as the invention of printing was in its time. And no medium has ever equaled television in availability to all.

Of course, we all understand that television will never do all of our education. It will never supplant person-to-person and classroom teaching. Television is simply a powerful instrument to open up many more vistas in the lifelong educational process.

THE STATES ARE READY FOR ETV

The chairman of your full committee, Representative OREN HARRIS, recently sent an inquiry to the Governors of all the States with regard to their readiness to participate in a cooperative Federal-State matching program for the establishment of educational television plans and facilities.

The replies were turned over to our Department for analysis.

Twenty-five replies from Governors were in the affirmative. These came from Alabama, California, Hawaii, Idaho, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Carolina, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee,

Vermont, Washington, and the Commonwealth of Puerto Rico.

Eight replies were indefinite. In these cases, the question was pending before State legislatures, or the opinion of another official was being sought, or the Governor was not yet ready to deal with the question. These replies were from Alaska, Delaware, Kansas, Maine, Nevada, New Hampshire, Ohio, and the District of Columbia.

Fourteen States have not yet been heard from. From other records, however, we know that six of these have one or more operating educational television stations within their borders. They are Colorado, Florida, Iowa, Kentucky, Louisiana, and Utah. It seems reasonable to anticipate that later replies from these areas will maintain the high ratio of affirmative responses evidenced by those already in hand.

A GOOD FOUNDATION HAS BEEN LAID

Many here remember the dramatic hearings before the Federal Communications Commission in 1952 which resulted in the reservation of a block of television channels for educational television.

These hearings made possible the ETV stations now broadcasting in this country, which we now seek to add to and also to link together in networks for broadcasts important to an entire area.

The evidence presented to the FCC in 1952 was impressive indeed. It had been assembled by trained researchers who sat, hour after hour, day after day, in front of television sets in New York, Chicago, and Los Angeles. The subject matter on all channels was charted and analyzed from sign-on to sign-off—so many minutes devoted to entertainment, to crime, and violence, to advertisements, to education, and culture.

Obviously educational television is needed as much now as it was in 1952, and we are encouraged by Federal Communications Commission Chairman Newton Minow's announcement that he will do all in his power to promote a nationwide educational television system.

The channels set aside for educational use in 1952 totaled 242. These have since been increased to 268, of which 90 are VHF (very high frequency) and 178 are UHF (ultra high frequency).

These are all open-circuit stations and include such important trailblazers as the community-supported stations of Boston, Chicago, St. Louis, Pittsburgh, San Francisco, Minneapolis-St. Paul, and New Orleans.

The typical educational television station devotes its schoolday hours to programs for the classroom at all levels—elementary, secondary, and higher. The late afternoon is usually devoted to programs for women and children, whereas the evenings are devoted to adult education as well as cultural and educational types of programing.

Of the stations now on the air, about 40 percent are financed and controlled by universities, about 20 percent are part of a public school system, and the remaining 40 percent are sponsored by independent community agencies.

Two cities, Oklahoma City and Pittsburgh, already have started their second ETV stations. Miami and Milwaukee have applied for their second allocations.

In contrast, there are great areas still largely unserved by ETV. One of them is the vast metropolitan complex starting in New England and reaching on down to Washington, D.C., and Virginia.

In much of this area, which includes about one-fifth of the population of the United States, commercial stations had been set up to use all existing channels before the FCC set-aside for educational television was made. New York State conducts its extensive programs of in-school television over a commercial station. A study is now underway to find out if frequency allocations are available to set up a regional educational television network in this highly populated area—which, incidentally, is exceptionally rich in education resources.

All the VHF channels reserved by the FCC in areas of more than 300,000 population have now been assigned.

The task of the next 4 years will be stimulating new VHF stations in low-population areas and in making use of the UHF channels in all areas needing ETV.

Where it is in use, ultrahigh frequency television has been well accepted. Its adoption has been hampered by the fact that the manufacturers have not produced many sets capable of receiving UHF. However, it is entirely possible to produce TV sets which receive all frequencies.

The problem now being faced by this committee is to make it possible for the remaining bands to be used in such a fashion as to best serve the population which does not yet have access to educational television. It is obvious from the situation I have described that the plans and services often should be interstate or regional and that the allocations of funds should be project by project, rather than State by State.

OUR PROPOSALS

Our proposals are put into legal language in my letter to the chairman which I hereby furnish for the record.

In essence, these proposals provide for—

Surveys and program development

We recommend authorization of $520,000 to enable the Commissioner of Education to make grants to the States to cover one-half the costs of conducting surveys and developing programs for educational television. Not more than $10,000 would be granted to any State. The legislation should make clear that multistate, area, or regional planning and surveys would be encouraged. Modifications of the requirements otherwise applicable on a State basis to facilitate accomplishment of this objective should be authorized.

Projects for construction of ETV facilities

The legislation should authorize the Commissioner of Education to make grants on a project basis under priorities to be established. The criteria for such priorities should be designed to achieve the prompt and effective use of the available channels, equitable geographical distribution of the facilities throughout the country, and the setting up of the facilities in such a way as to serve the greatest number of people and broadest uses possible. We recommend an aggregate of $25 million to be authorized over a 4-year period to pay up to one-half the costs of approved projects. This would be matched by the payment of one-half the costs by the individual sponsoring agency.

If State plans have been made, the grants would proceed in accordance with the State plan. If not, the grants could be made available by the Commissioner directly after the State has had a reasonable opportunity to prepare such a plan.

Our proposals would include a definition in the bill which would exclude from Federal grants closed-circuit transmission within a single school or occupying a single site. We do not believe Federal funds are warranted for this limited type of facilities.

Research and experimentation

Two other pieces of legislation recommended by the Kennedy administration could round out Office of Education services to educational television.

One is the Educational Assistance Act of 1961 which provides for new demonstration programs to meet special education problems. Such programs might include the use of a new media such as television.

The other is currently in progress—the provision under title VII of the National Defense Education Act whereby research is being carried on to evaluate and aid in the development of television and other audio-visual education media. President Kennedy has recommended that the National Defense Education Act, which expires next July 1, be extended and improved.

ETV HAS PROVEN ITS WORTH

Educational television has proven its worth. More than 50 careful studies provide evidence that anything that can be taught by lecture and demonstration in the classroom can be taught at least as well by television.

As one example, a complete junior college curriculum has been on the air for 5 years in Chicago. It has been taken by thousands of students. Tests have proven that these televised courses have brought students to the level of skill attained by classroom practice.

There have been spectacular demonstrations that television can do certain instructional tasks much better than they can be done in the classroom.

For instance, in test tube chemistry and other courses requiring minute motions, every television student can watch as well as though he were in the front row in the classroom.

A 10-member educational media study panel of the Office of Education met in January and, on the basis of the 50 studies, compiled a list of the areas in which educational television appears to offer important advantages. A summary of their findings follows:

1. Educational television affords unique opportunities for massive and rapid qualitative improvement of education which is now a national challenge.

2. Educational television provides a means of removing the barriers which have kept American teachers from being able to observe their colleagues in action. For years teachers never see other teachers in action—it is as though actors could never see plays.

3. Educational television gives parents a chance to get back into the orbit of education. They can look at will into the classroom.

4. Educational television offers opportunities to focus national attention and effort on general cultural improvement.

5. Educational television, by strengthening the fiber of our own education and culture, will also provide the needed basis for strengthening similar efforts elsewhere in the free world.

EDUCATORS HAVE ACCEPTED TV

For some years educational leaders were cautious about using television in the classroom. There were even fears that TV would replace the teachers, that it would make teaching mechanical, and that pupils would become mere robots.

Nine years of experience with educational television stations have brought the whole subject into perspective. Educators have learned that TV is neither a curse nor a cure-all. They have learned that it is simply another medium for getting ideas across—and a very powerful one.

As I see it, the legislation you are considering today has for its primary purpose making educational television available to every section of the United States where it is needed and can be useful.

It seems to me that the time is ripe for such action. The administration is ready for it. The States are ready for it. The foundation has been laid. Experience has proven its worth. And the educators now accept it.

Danny R. Jones, California Attorney and Scholar of Soviet Jurisprudence Writes Congressman Doyle Letter Opposing Abolition of House Un-American Activities Committee

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I am pleased to present for your reading, and that of all my other distinguished colleagues, a letter written me by Danny R. Jones, of Compton, Calif., on the subject of the Un-American Activities Committee of the House of Representatives. Mr. Jones does not happen to be registered in the same political party of which I am a member, but is a very widely known and able lawyer at the California bar, and I have been pleased to know him personally for a good many years.

Naturally the receipt by me of this letter from him, who has sojourned in the Soviet Union twice now on a definite study of the subject of justice in the Soviet Union, is pleasing indeed.

Mr. Speaker, all the contents of Attorney Jones' letter, herewith set forth, but especially the contents of paragraph 3 thereof, make it crystal clear that any effort or plan or program to do anything which manifestly is intended to, or does weaken, lessen, or destroy any facet of the Government of the United States, or the U.S. Congress, charged with the internal security of our Nation against subversive activities of the Communist Party of the United States, or any other group of persons, or any individual, to that extent does definitely contribute toward the success of the internal operations of the Communist Party in the United States. This is what distinguished California lawyer, Danny R. Jones, tells us about the Communist Party objectives in the United States, and I urge your attention to the fact that in the very last sentence of paragraph 3 of said letter Attorney Jones says:

> Any method which would accomplish the goal will be utilized.

Mr. Speaker, I am sure you have heard me say heretofore on more than one occasion, during these more than 14 years I have now served in this distinguished body, that the Communist Party in the United States is dedicated and destined to use any method which in the short run or the long run would contain any possibility of accomplishing their illicit design to destroy the American constitutional form of government by force and violence if and when they should choose to use that method.

And, therefore, Mr. Speaker, I do not hesitate to again state that in my humble judgment and considered opinion, the Communist Party in the United States and its avowed followers—whether members of the Communist Party or not—are definitely contributing to the weakening and planned eventual destruction of the security measures of the U.S. Government and Congress against subversive communism in the United States, and in the world as well. The taxpayers of the United States are expending hundreds of millions of dollars a year for defense purposes; they have been doing this for many years. Recently we unanimously approved a bill from the House Armed Services Committee, of which I am a member, which bill authorized the largest sum of money for our military defense which has ever been adopted by this Congress in one bill. We were frankly told about it, as we are told about all appropriations for national defense and for foreign aid; to wit, that we are in a life-and-death struggle against the spread of subversive communism.

Mr. Speaker, thus it is, that the signed letter herein set forth by Danny R. Jones, more recently again returned from a study in Russia of the Soviet Union judicial system, should further warn us that the Communists in the United States are in a highly gleeful mood because, as Attorney Jones said:

> There is a move afoot to eliminate the Un-American Activities Committee of the U.S. Congress.

Mr. Speaker, having been a member of that vital committee now for about 14 years, at your request and urge, and again affirming that said committee is always working on its own desire to further improve its procedures, I cannot but again also state, that I am constrained to believe that with the world as it is, and with the activities of the Communists and their avowed allies and voluntary supporters in the United States, the move which is afoot to eliminate the Un-American Activities Committee cannot but contribute to the plan which Attorney Danny R. Jones specifies when he wrote me this letter shortly after his return from his second trip to the Soviet Union. I especially call attention to the last sentence of the third paragraph of his letter which states:

> I was blatantly told by even the lowest of Communist underlings that the plan was to do this by internal operations of the Communist Party, i.e., "Internal Operations of the Communist Party in the United States," and any method which would accomplish the goal will be utilized.

Some people know this is a fact; some people deny it is a fact. But Mr. Speaker, the Communists all know it is a fact and the Communists are very much pleased. As for us, I will not knowingly contribute to the weakening of our legal barriers to the subversion of the efficient and honest functioning of our constitutional form of Government.

The letter follows:

Congressman CLYDE DOYLE,
23d Congressional District,
Washington, D.C.

DEAR CLYDE: I understand that there is a move afoot to eliminate the Un-American Activities Committee of the U.S. Congress. Firstly, I urge you with all of your influence to fight any action to eliminate this committee and its functions. If anything, I would strongly recommend that more funds be allotted to this committee to expose the Communist threat to the free system of which America is the major citadel in the world. I make these recommendations to you only after having recently been to the Soviet Union, the home base of all world Communist activities and having seen that system function after its 40 years of existence.

In spite of all the insistent and consistent propaganda which Moscow may constantly blast into the ears of the peoples of the world, the Communist system has only been able to supply the people of that country and all other Communist countries, barely a fraction of the material benefits and essentially none of the individual freedoms which we have all taken for granted.

There is no question about the fact that the fathers and leaders of communism based in Moscow are bent upon complete domination of the world by the Communist Party, which is the same as the Moscow leaders. Everyone from Lenin down to Khrushchev, further on down to the Communist underlings working in the Communist bureaucratic offices, frankly and openly assert this to be their goal. In order to accomplish this goal, America with its free enterprise is the No. 1 target. I was blatantly told by even the lowest of Communist underlings that the plan was to do this by internal operations of the Communist Party, i.e., "internal operations of the Communist Party in the United States" and any method which would accomplish the goal will be utilized.

A major victory for this goal would be the destruction of this Un-American Activities Committee and a death blow to public efforts to expose this menace to individual freedom. If you desire further information in connection with what I saw or did in the Soviet Union, I should be most happy to give them to you publicly or privately. I shall assert every effort to see that I, and my children, never live under such a system.

Yours very truly,

DANNY R. JONES.

Public Laws 815 and 874 Discharge a Clear Federal Obligation

EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. KEARNS. Mr. Speaker, I have introduced legislation today, H.R. 7459, to extend for 3 years the temporary provisions of Public Laws 815 and 874, 81st Congress, and to make certain changes in such laws.

I include here as part of my remarks my press release and the text of H.R. 7459:

FROM THE OFFICE OF REPRESENTATIVE CARROLL D. KEARNS, REPUBLICAN OF PENNSYLVANIA

Congressman CARROLL D. KEARNS, Republican, of Pennsylvania, today introduced a bill, H. R. 7459, to extend for 3 years the temporary provisions of Public Laws 815 and 874, 81st Congress, and to make certain changes in such laws.

Congressman KEARNS said today:

"For over 10 years these programs have assisted local school districts, which suffer a burden on their educational programs because of military and other Federal installations.

"Public Laws 815 and 874 discharge a clear Federal obligation to support the operations of schools where heavy concentrations of Federal employees and Armed Forces personnel have caused undue burdens on local school districts.

"I believe that one of the principal defects of the administration's school bill, H.R. 7300, is that it combines the general aid provisions and the impacted areas provisions in the same bill. These are separate problems and should not be tied together in an omnibus-type bill.

"The reason the administration has tied them together is that it is hoped that by doing so the general aid provisions will gain the support of those who are in favor of the impacted area provisions, and use it as a political crutch for final passage of the bill.

"I believe, however, that each is deserving of separate consideration.

"Moreover, the political gimmick of combining impacted areas legislation with the general aid provisions in a single bill may well backfire. It could well mean the defeat of both at a time when I am certain that the majority of the Congress is in favor of the impacted area legislation.

"These are the reasons which led me to introduce H.R. 7459.

"On June 1 I introduced H.R. 7413, to authorize a 3-year program of Federal financial assistance for the construction of public elementary and secondary schools, and to provide certain additional assistance for both public and private education on a permanent basis.

"These two bills make it possible to consider the general aid provisions and the impacted areas legislation separately.

"I plan to offer my impacted areas bill, H.R. 7459, and my general aid for school construction bill, H.R. 7413, as substitutes for the administration bill, H.R. 7300, when that bill is called up on the floor of the House for debate.

"I have the utmost faith and confidence that the Republican Party and many of my colleagues on the other side of the aisle will vote for my bills, H.R. 7459, and H.R. 7413 in preference to the inflated provisions of the administration bill which combined general aid for school construction, aid to impacted areas, and teachers salaries."

H.R. 7459—A Bill To Extend for Three Years the Temporary Provisions of Public Laws 815 and 874, Eighty-first Congress, and To Make Certain Changes in Such Laws

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1964".

(b) Section 10 of such Act is amended by inserting the following sentence after the first sentence thereof: "In any case in which the Commissioner makes arrangements under this section for constructing or otherwise providing minimum school facilities situated on Federal property in Puerto Rico, Wake Island, Guam, American Samoa, or the Virgin Islands, he may also include minimum school facilities necessary for the education of children residing with a parent employed by the United States though not residing on Federal property, but only if the Commissioner determines, after consultation with the appropriate State educational agency (1) that the construction or provision of such facilities is appropriate to carry out the purposes of this Act, and (2) that no local educational agency is able to provide suitable free public education for such children."

(c) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1964", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(d)(1) Paragraph (13) of section 15 of such Act is amended by inserting "American Samoa," after "Guam,".

(2) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu thereof "1961–1962".

Sec. 2. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each place where it appears in sections 2(a), 3(b), and 4(a) and inserting "1964" in lieu thereof in each such place.

(b) Such Act is further amended by inserting "American Samoa," after "Guam," each place where it appears in sections 3(d), 6(c), and 9(8).

(c) Subsection (d) of section 3 of such Act (relating to the computation of the local contribution rate) is amended as follows:

(1) The first sentence of such subsection is amended by striking out "and the local educational agency".

(2) Clauses (1) and (2) of the first sentence of such subsection are amended to read as follows:

"(1) he shall place each school district within the State into a group of generally comparable school districts; and

"(2) he shall then divide (A) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which he is making the computation, which all of the local educational agencies within any such group of such comparable school districts made from revenues derived from local sources, by (B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such second preceding fiscal year."

(3) The third sentence of such subsection is amended by striking out "If, in the judgment of the Commissioner, the current expenditures in those school districts which he has selected under clause (1)" and inserting in lieu thereof "If, in the judgment of the Commissioner, the current expenditures in the school districts within the generally comparable group as determined under clause "(1)".

(d) Paragraph (10) of section 9 of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing provisions of this paragraph, average daily attendance under subsections (a) and (b) of section 3 shall be determined in accordance with regulations of the Commissioner on the basis of the average daily attendance determined in accordance with State law (excluding children for whom the local educational agency received tuition) multiplied by the membership ratio between children qualifying under subsection (a) or (b) of section 3 and all children for whom free public education is provided; such membership ratio shall be derived from membership counts for two days during the fiscal year covered by the application, in accordance with such regulations."

The Death of George S. Kaufman

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1961

Mr. LINDSAY. Mr. Speaker, last Friday, June 2, the country lost a distinguished citizen with the death of George S. Kaufman. Mr. Kaufman, whom I was proud to have as a constituent, died at his home, after a long illness, at the age of 71.

George Kaufman was a giant of a man who brought grace and power and eloquence to the American theater. There are few men who have been his equal as a playwright in modern times. At his funeral, his close friend and another distinguished playwright, Moss Hart, delivered the eulogy. Mr. Hart spoke of the "many Georges" who were part of the complete Mr. Kaufman. He went on to say:

There was the cantankerous George, the terror of head waiters, taxidrivers, and barbers. There was G.S.K., the wit, and he was one of the wittiest men of his time. There was the wintry and distant George, the warm and spring-like George, and there was George, the playwright—we all sat at his feet.

He was not a comfortable, happy, or cozy man, but he was a loving man. He felt deeply, but sheared away from any expression of emotion. He had pride, but no vanity. He was a unique, an arresting man. Our solace is that we should have known him, and were living in his time.

The United States is the better for George Kaufman, and the country mourns his passing and treasures his memory and his work.

Lane Addresses Postal Supervisors

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1961

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the Record, I include part of my remarks at the annual convention banquet of the Massachusetts State Branch of the National Association of Postal Supervisors, at Swampscott, Mass., on June 3, 1961:

The British and West German postal systems are regarded as models of prompt and efficient service.

In Britain, you can mail anything at all by their special messenger service except a live human being. There was the case of a newspaper that put the Post Office to the test by mailing, of all things, a cow. It was delivered on schedule, alive and contented.

While the U.S. Post Office Department does not go so far afield it does win top honors for being the busiest postal system at least on this planet.

More than 500,000 Federal employees handle over 65 billion pieces of mail a year. That averages out to 130,000 per each postal worker.

From the sorting and delivery of plain post cards to precious checks and bulky parcel post packages, our postal system has developed an amazing record of reliable performance since the first Postmaster General, Benjamin Franklin, was appointed by the Continental Congress in 1775.

In fact, the whole American economy would slow down to a crawl, without this smooth-functioning network of communication and transportation that unites the Nation.

The business community is well aware of this, as evidenced by its increasing use of, and dependence upon the postal service.

The Department and its employees appreciate the confidence reposed in them, although this faith in your ability to do the job can be overdone. It begins to appear that the Post Office is being forced to do too much of the large mailers' own work for them.

As more and more of this burden is shifted from private enterprise to the public service, the cost of operating the Post Office Department has no way to go but up.

Top-ranking officials, knowing that the Government on its own can achieve only limited handling cost savings, and reluctant to press for compensatory postal rate increases are turning to their big patrons for help.

Under consideration is a plan to enlist heavy users of the mails in cost-cutting partnerships with local post offices.

Under this do-it-yourself approach, businessmen will be asked to cooperate in the following manner:

1. Spread mailings throughout the day.
2. Install mail processing equipment such as canceling machines in their own offices.

Business cannot expect to have everything its own way by demanding more and more service from the Department and at the same time complaining about the recurring rise in postage costs or the larger appropriations from general revenues that the Congress must assign to cover the deficit between postal costs and postal income.

By assuming a fair share of the load, business would aid in the development of faster and better service.

As it stands now, postal supervisors are the men in the middle who are giving their best leadership under trying circumstances as they strive to satisfy patrons who expect the impossible from the undermanned and overworked crews of postal employees.

Combat-tested by experience that has proved their resourcefulness in handling emergencies, the postal supervisors of Massachusetts are equal to the present task.

The annual convention of the Massachusetts State Branch of the National Association of Postal Supervisors helps to focus attention on these problems.

With a growing understanding of your responsibilities and problems by the patrons of our postal service, I am confident that they will cooperate with you to make them somewhat easier in the near future.

Sugarbeets and Burns Creek

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. SAYLOR. Mr. Speaker, the House Agriculture Committee recently held hearings on U.S. sugarbeet allocations. Members of Congress from Arizona, California, Maine, Minnesota, Nevada, New Mexico, and Texas appeared before the committee sincerely urging an increase in the domestic allocation of the sugar quota so that farmers in their respective States might enjoy a larger share of the market.

The United States consumes about 1½ million tons of sugar annually, and domestic needs have been expanding by some 200,000 tons per year. In the past, 70 percent of the U.S. sugar requirements have been met through imports. In dollars and cents, this amounted to $550 million in 1959–60, and has been increasing recently by about $90 million annually. Cuba has traditionally been one of the largest suppliers of sugar to this country, holding approximately 30 percent of the quota. Since the rise of Castro, however, that quota has been reallocated to producers from friendly nations.

Our esteemed colleague from Texas [Mr. RUTHERFORD] highlighted the plight of domestic sugarbeet producers in a recent newsletter by pointing out:

> This "new" quota is the primary target of those of us in the Southwest who have been seeking to obtain a quota for domestic farmers. At present, there is no restriction on how many acres of sugarbeets a farmer may plant and no restrictions are contemplated. However, growing them is only a part of the project. The farmer obviously must have a market to sell his product, and the only possible market is to a sugar mill. A sugar mill is a costly operation, representing some $15 million in investment and requiring several years to construct and put into operational order. Obviously, such an investment cannot be made unless an area has a guarantee of a large enough quota to grow many acres of sugarbeets.

At the present time, 16 States have almost the total allocation for sugarbeets. The following table shows the acreage planted in sugarbeets, by States, for 1960 and the estimated acreage in 1961.

Sugarbeets

[In acres]

State	Acreage planted	
	1960	Indicated, 1961
Ohio	23,300	24,000
Michigan	69,400	78,000
Wisconsin	6,300	7,000
Minnesota	81,000	89,000
North Dakota	42,600	48,000
South Dakota	6,800	10,000
Nebraska	69,500	76,000
Kansas	9,300	10,000
Montana	61,700	63,000
Idaho	96,900	108,000
Wyoming	42,500	52,000
Colorado	157,300	175,000
Utah	33,000	27,000
Washington	37,900	54,000
Oregon	20,900	23,000
California [1]	212,000	237,000
Other States	6,400	6,400
United States	976,800	1,087,400

[1] Relates to year of harvest. Beginning 1952, includes some acreage carried over to the following spring.

Source: Crop Reporting Board, AMS, USDA, March 1961.

It may be noted that little or no acreage is allocated to growing sugarbeets in Arizona, Maine, New Mexico, or Texas, even though testimony before the House Agriculture Committee revealed that farmers in these States are willing and able to produce this important money crop. While Members of Congress from these non-sugarbeet-producing States are trying diligently to protect the interests of their farming constituents by getting sugarbeet allotments, they are being pressured to vote against the best interests of these same constituents by supporting the unnecessary Burns Creek public power project in southeastern Idaho.

Hearings before the House Irrigation and Reclamation Subcommittee in 1959, 1960, and 1961 clearly show the questionable nature of this $50 million expenditure; which, if approved, will adversely affect the agricultural constituents of these Members. Witnesses from the Bureau of Reclamation testified that not one single acre of new land will be irrigated using water stored in the Burns Creek Reservoir. However, these witnesses go on to point out that power made available from the hydroelectric generating facilities installed in the Burns Creek Dam would be used to pump-irrigate large tracts of new land—variously estimated at from 55,000 to 125,000 acres, with the most recent testimony being somewhere between 55,000 and 65,000 acres.

According to the Office of Irrigation Specialists, Rural Electrification Administration, January 1956, on the proposed West Side Electric Irrigation Cooperative, crops grown on this land would be typical of those already produced under irrigation in the adjacent areas which are primarily alfalfa, potatoes, sugarbeets, and small grains.

During the House Irrigation and Reclamation Subcommittee hearings on the Burns Creek project, April 17, 1961, the honorable gentleman from Minnesota [Mr. LANGEN] questioned Mr. Harold Nelson, Regional Director, Bureau of Reclamation, Boise, Idaho, concerning sugarbeets that would be grown on land pump irrigated using electricity from Burns Creek. The following colloquy appears on pages 236 and 237 of the hearing transcript:

> Mr. LANGEN. I am still curious to know how many acres of sugar you are going to have. Where are you going to get the acres from?
>
> Mr. NELSON. I would say, just from experience in the area, that probably five to six thousand acres of sugar beets would be correct.
>
> Mr. LANGEN. We have a most difficult time in getting any surgarbeet acreage up in our area, and we think we have a reasonably good area to raise sugarbeets in, a place where we can raise them without irrigation and without cost to anyone. And all we seek is the mere permission to plant them and to sell them. And so consequently it is just natural that we are going to be curious when we see a project that requires tax dollars in order to promote a matter such as sugarbeets.

Mr. Speaker, the prospective increase in sugarbeet acreage irrigated with subsidized power from this project is roughly equal to the entire acreage planted in all other States, in the above table—and Idaho already is the third largest sugarbeet producing State in the Union. The sugarbeet area of Idaho is in the southern portion of the State surrounding the proposed Burns Creek public power project. Furthermore, the problem of getting sufficient acreage allocations to justify construction of sugar mills, mentioned in my friend, Mr. Rutherford's newsletter, does not exist in Idaho since they already have the mills.

The proposed Burns Creek project—H.R. 36 and H.R. 378—is unnecessary, uneconomical, and a distortion of traditional concepts of reclamation. It is a public power proposal pure and simple for an area where there is admittedly no power shortage. If approved, it will

have the effect of seriously damaging future reclamation programs of the West by changing the concept that revenues from incidental power production should be used to benefit water users, to a new concept that future irrigation projects be penalized for the sake of preference power users.

For these reasons, Mr. Speaker, I sincerely urge my colleagues in the House of Representatives who are interested in irrigation or sugarbeet production to oppose Burns Creek vigorously as being contrary to the best interests of their own constituents.

Diminishing Public Lands

EXTENSION OF REMARKS

OF

HON. RALPH J. RIVERS

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. RIVERS of Alaska. Mr. Speaker, I point out for attention and consideration a most important matter of national interest. Legislation pending before both the House and Senate is designed to return to the Congress the responsibility for the management of our Nation's public lands. I refer to H.R. 1785 by the gentleman from Hawaii [Mr. INOUYE], H.R. 6377 by the gentleman from Pennsylvania [Mr. SAYLOR], H.R. 5252 by the gentleman from Nevada [Mr. BARING], H.R. 3342 by myself, and S. 2587 by Senator BARTLETT for himself and 20 other Senators. I use the term "return to the Congress" because the Constitution vests in the Congress the power to carry out such responsibility, which has for many years been delegated to the executive branch, and the effect of the bills I have mentioned would be to reinstate the initial power of Congress in the premises.

The problem with which we are confronted is two-pronged. In the first place, public land disposition incident to our population growth and settlement of the West has greatly reduced the size of our Federal public domain. In the second place, executive agencies have effectuated massive withdrawals without the benefit of congressional attention, scrutiny or sanction, including some unwise withdrawals and overwithdrawals, thus accelerating the disappearance of the Federal public domain in the sense of vacant, unappropriated and unreserved public lands.

In recognition of this problem, the Congress has already made a start in reasserting its authority over our public lands in the form of Public Law 85-337, commonly known as the Engle Act, which was enacted to protect the public domain from inadequately considered withdrawals for the use of the armed services, by requiring an act of Congress to effectuate all military land withdrawals exceeding 5,000 acres. In my opinion, the hearings this year on six military withdrawal bills proved to be constructive and fruitful of sound analysis and evaluation as to the need for the proposed military uses, size of acreage, duration of the use period, and development of specific requirements consistent with future civilian use and the general public interest.

Although Public Law 85-337 places a check on the military departments in this regard, there remains in all other executive agencies the authority to request from the Interior Department withdrawals of any size or duration. During 1959 and 1960, since the Engle Act was adopted, there have been granted 16 such nonmilitary land withdrawals, each exceeding 5,000 acres. The land involved is in Alaska, Colorado, Montana, Oregon, Utah, Idaho, and Wyoming.

The purpose of H.R. 3342 and the other bills mentioned is to extend the purview of the Engle Act to cover all nondefense withdrawals the same as military withdrawals. I believe you will agree with me that the need for legislative review of large executive land dispositions is as obvious in regard to nonmilitary agencies as in the case of the military branches. Public land stands out as a great resource which can be best utilized in the public interest only when the competing demands for its use are weighed and analyzed by the Congress.

NBC White Paper on Panama: Subversive Propaganda

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. FLOOD. Mr. Speaker, in an article on "NBC White Paper" by Lawrence Laurent in the Washington Post of May 26, 1961, that writer made the following comment about the TV program, "Panama: Danger Zone," which was broadcast on February 14 over the NBC system, and I quote:

> It gave many viewers their first long look at a newly troubled area. Apparently it left no room for argument and for the first time in the life of the series there were no protests.

As a participant in that TV program who also saw it and as a long-time student of the problems of the Caribbean, I feel it is incumbent on me to speak out again against those who would subvert our position in that strategic area, particularly at Panama.

First, as to my participation, I went to New York last fall while the film was being prepared. There I was queried extensively by the director of the program, Harry Rasky. In my replies, I endeavored to give comprehensive answers to all his questions and, at the time, had no reason to expect anything but an objective treatment of the crucially important subject.

Second, when the program was shown on February 14, I hardly recognized the fact that I had contributed. Reduced to insignificance and taken out of context, it produced exactly the opposite result to that most desired—a clear treatment of our just rights and obligations for the operation, maintenance, and protection of the Panama Canal. I shall comment briefly on parts of the program.

Starting with an accompaniment of calypso music, it promptly focused on a theme hostile to the United States and gave local agitators an opportunity to voice their extreme views without adequate clarification.

It gave a fleeting glimpse of the former Governor of the Canal Zone who had bravely faced the 1959 Canal Zone invasion and effectively handled the crisis without giving him an opportunity to reply to his castigator.

While the narrator repeated a mass of details, much of it wholly irrelevant and misleading, his statements were most significant for what he failed to say. There was an obvious avoidance of presenting a true picture of the just rights and obligations of the United States, or our vital interests as well as the interests of the entire world.

The total effect was against the true needs of our country—a view that seems to have conformed with that of certain policymakers in the Department of State.

As to the effect on the public, as shown by my extensive correspondence, an overwhelming number of letters from informed observers were highly critical of the program as tending to subvert our position in the Canal Zone. A few criticized me as being more representative of European despotism than of the United States and its policy of generosity. Some had been confused by what was actually a most misleading program.

Now to return to the comments by Lawrence Laurent, I wish to stress, despite assertions to the contrary, the following:

First. The subject of the NBC "White Paper on Panama: Danger Zone" is not new as suggested by him, but old.

Second. While the TV program may have given a "first look" to some, its story has been treated extensively in many addresses in the Congress and in numerous thoughtful articles over the last few years in various magazines that are available to those who seek enlightenment.

Third. Notwithstanding statements to the contrary, the views presented in the NBC White Paper are subject to argument and should be clarified and not confused.

Fourth. Instead of universal approval as implied by Writer Laurent, there were many protests of the strongest character to the obvious slant of the program against the best interests of the United States.

It is indeed unfortunate that in these tragic times when our Nation, which is the last great outpost of freedom, is being consistently attacked and undermined by those who have received the bounties of our national freedom, these subversive forces control not only many of the great newspapers of the country but also the television and radio networks; and the opportunity seems never

to be overlooked by them to misrepresent every incident of international friction in a way antagonistic to and downrightly subversive of the best interests of our country and in derogation of the facts involved.

These subversive methods are, in effect, conspiratorial against the best interests of the American people and so intended. They are altogether irresponsible and alien, and the methods and practices of these enemies of our institutions should be recognized, exposed, and abated. They represent the same character of communistic infiltration that has weakened lesser nations throughout the world and made them easy prey for communistic conquest.

Mr. Speaker, since February, the situation in the Caribbean has continued to deteriorate. No responsible official of the executive branch has yet spoken out in ringing words as to what our policy should be. Accordingly, I urge the people of the United States to write their views to the President, the Secretary of State, their Senators and Representatives, demanding an end to diplomatic weakness and adoption of reasoned policies that are fully protective of our national interests at Panama.

Under unanimous consent, I include the article in full:

"NBC WHITE PAPER" PROVED A TRIUMPH

(By Lawrence Laurent)

The "NBC White Paper" series has a pretentious title, borrowed from the British term for an official government report. The series never did get around to the subjects, originally announced, on "The PR Boys" of the public relations business, on "Government by Publicity" or "The Soviet Union from Within."

If these are failings, however, they are minor failings. Certainly nothing since Edward R. Murrow's first season with "See It Now" has covered as many controversial subjects with as much depth and understanding. The "NBC White Paper" series is a major triumph for the newly emphasized dimension of reality on television.

The series arrived last November with a report on "The U-2 Affair." This frank and caustic interpretation on a major international blunder drew much applause and many complaints. One veterans organization condemned the program, not for any inaccuracies or mistakes but because it lacked the proper patriotic fervor.

Another outcry followed (in December) the poetic and over-stated study of the sit-in crisis in Nashville, Tenn. On this program, producer Al Wasserman, an intense, perceptive, documentary artist, used some rigid stereotypes to achieve a tremendous dramatic impact. Artistically, it was superb. As a reporting job, it was much too subjective.

"Panama: Danger Zone" came in February and it gave many viewers their first long look at a newly troubled area. Apparently, it left no room for argument and for the first time in the life of the series there were no protests.

A situation that had been overlooked, the diminishing powers of the State legislature, was studied in March. Interviews, filmed meetings, charts and the narration of Chet Huntley put "Man in the Middle: The State Legislature" into new perspective for many American citizens.

"The Anatomy of a Hospital" was booked into an April Sunday evening's schedule. This was a sympathetic look at the sometimes sudden, often violent death that is a part of a city hospital. The suffering and the mercy was contrasted with the nonemotional, prosaic problems of finance that harass hospital administrators.

These separate parts of hospital operation are inseparable and never before on television had they been linked for such effect.

The "NBC White Paper" series ended its first season this week with the telecast of "Railroads: End of the Line?" One would not expect the problems of mass transportation to contain much poetry, imagery or romance. Yet these were exactly the qualities that producer Wasserman caught and which were passed along by haunting film footage and by Huntley's matter-of-fact narration.

Seldom in history have we loved any machine as we loved the homely, noisy steam locomotive. Wasserman wisely picked up a paragraph out of Thomas Wolfe's "Of Time and the River" to illustrate this improbable love affair between the North American and the mechanical monster:

"Trains cross the continent in a swirl of dust and thunder, the leaves fly down the tracks behind them; the great trains cleave through gulch and gully, they rumble with spoked thunder on the bridges over the brown wash of mighty rivers, they toil through hills, they skirt the rough ground stubble of shorn fields, they whip past empty stations in the little towns and their great stride pounds its even pulse across America."

Now, the railroads are in trouble. The wonder and glamor which belonged to the locomotive now belong to the jet airplane and to the space rocket. The "White Paper," however, had a note of hope that the train will recover with new uses.

After a season of six shows, executive producer Irvin Gitlin can be proud of the work of his staff. He should also have proved the value of such programs.

Statesmanlike Address

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks, I am honored and pleased to include in the RECORD a very timely and statesmanlike address recently delivered by my valued friend and able and distinguished colleague, Congressman HAROLD D. DONOHUE, of Massachusetts, at the commencement exercises at Anna Maria College in Paxton, Mass., on Sunday, June 4.

Congressman DONOHUE's stirring commentary and remarks on current conditions facing contemporary graduates are a sober warning and a lofty inspiration.

His talk was deeply appreciated by the graduates and was appropriately noted in the press by the celebrated Worcester Telegram in an article which I also ask leave to include as part of my remarks.

I heartily congratulate Congressman DONOHUE upon his excellent address. It is in an admirable tenor and should do much to clarify national thinking on the vital matters which he discussed:

ADDRESS TO GRADUATES, ANNA MARIA COLLEGE, PAXTON, MASS., BY THE HONORABLE HAROLD D. DONOHUE

My dear young graduates, somehow the title, "Address to the Graduates," on your program above my name seems to suggest the appearance of an all-knowing somebody, to reveal secret guidelines, guaranteeing the prosperous pursuit of worldly happiness and success.

I am sure you graduates entertain no such illusion; I am certain I possess no such knowledge.

In truth, I am here more to receive, from your own composite picture of youthful beauty, wholesomeness, and vitality, renewed inspiration for my own labors than to offer you any directional counsel.

As members of the new generation, rather than seeking any advice for your future, you might well ask your elders for an account of our stewardship of your American heritage. If you did, our approach to an explanation would be more in a tone of apology than any tune of triumph.

Particularly on this bright and happy day of your lives it would be our heartfelt desire to bring you "news of good tidings," that all is well at home and abroad. That is the kind of legacy we elders hoped to have waiting for you but which, unfortunately, we cannot fully deliver at this time.

For, at home, we have been suffering a long period of frightening national decline in our traditionally high moral standards and ethical principles. More than a decade of excessive self-indulgence and inordinate concentration upon personal profit and pleasure has alarmingly weakened the spiritual strength and moral fiber of our country.

Out of this general decline we have become afflicted with constantly increasing numbers of major crimes of sex and violence, high divorce rates, waves of juvenile delinquency, and a common disregard of spiritual concepts and patriotic restraints. Let me cite a few current examples of this latter development.

For instance, while most were demonstrating wide unconcern about true moral values, a few were discovered directing their attention to fixing false prices.

While the majority were experiencing renewed confidence from the coordinated success of our first astronaut, disturbing examples of questionable work delays at vital missile production bases were being uncovered.

While Presidential representatives were proclaiming abroad our creed in the equality of man, some sections of our own country were incredibly denying the personal liberties of certain American citizens.

While our most informed leaders exhort us to the imperative defense of our institutions, a few are heard in plaintive appeal for appeasement at any cost.

Meanwhile, abroad, our capabilities and qualifications for free world leadership have been seriously questioned. Our self-accepted superiority in the technical sciences was temporarily dented. Some programs to aid and advance the rehabilitation and welfare of other countries were proving to be misused and misguided. In some places we were criticized for being too quick with too little and, in others, of being too late with too much. Some of our traditionally close allies were being tempted to doubt and hesitate while our avowed enemy moved forward in arrogant daring.

Happily, but cautiously, I believe we can now observe the appearance of a few signs that will lead, please God, toward a healthy, general recovery. With respect to your depreciated legacy, first sign is the recog-

nition and admission of past indiscretions by your elders; however, we have not yet bankrupted you.

We may have been ethically lax, but the fundamental faith of our forefathers is still within us.

Because of good will and peaceful desire, we have permitted our enemy abroad to embarrass us but we have not permitted him to drive us to despair or defeat.

We may have often been loose in our thoughts but we have retained our basic understanding. In my opinion, it is indeed vital that we unceasingly project that understanding.

You are particularly fitted to help in this objective.

The gravest threat to our national integrity, from within and without, was principally brought on, in my judgment, by previous delays in three fields of fundamental understanding.

We have been complacently slow in understanding the destructive nature of the evil afflicting us from within, the vicious nature of the enemy without, and the changing nature of modern warfare.

We have been almost fatally slow in understanding that the destructive nature of the pagan materiality suffocating the original spirit of our society is the same as that which has marked the pages of history with the fall, of other proud, prosperous and strong nations of the past, into the dark valley of humiliation and oblivion from which nations rise no more.

We have been almost tragically slow to understand the nature of atheistic communism as the deadliest enemy in world experience. We have been acting, and reacting, from the unfounded conviction that communism is but the name of a passing fashion and involves no more threatening danger than a buzzing bumblebee.

We have been carelessly unmindful that the historically written and avowed purpose of this devilish philosophy is to patiently and ultimately enslave the world by any means and in whatever time it takes.

It seems incredible that in more recent times we could likely forget the arrogant warnings of the current Kremlin leader when, in 1956, he said "we will bury you." Again, during his visit to the United States in 1959, he told us "your grandchildren will live under communism."

Addicted with our own lassitude and seeming security, we have been tempted to overlook the stark fact there is another great power in the world bent on perverting the meaning of democracy and peace into tyranny and death.

Let us be ever mindful that these ruthless aggressors hold up deceit, hypocrisy, falsehood and treachery as the high standards of their atheistic immorality. For them there are no spiritual restrictions in their race to conquer.

We have been, further, dangerously slow to understand the nature of modern warfare. We too commonly think of war in terms of shooting, when, in fact, shooting has become a last resort in modern war.

Today, war is a matter of pressure. Pressure can be political, economic, psychological, violently physical, or any combination of them. The Communists, with their long range strategy, dedicated patience and their knowledge that the whole globe is their field of battle, have developed the war of varying pressures to its highest degree. By its skillful use, they have been repeatedly throwing us and the free world into recurring status of disunity, confusion and hesitation.

Through unhurried and persistent probings of American moral and military preparedness, they have not yet followed up their intermittent indications of peaceful negotiation with concrete evidence of sincerity. It is quite probable they will not provide such evidence until they are satisfied that American morale and might has regained the structure and the stamina of our founders. This pattern of the Russian cold war scheme and design has long been spelled out before us and we have finally and realistically analyzed it. Let us, then, to the doing of the task that clearly lies before us.

In this doing, your new generation should willingly accept its full part. We remind you that each generation of Americans has been called upon to make its own contribution to the preservation of our national liberties and institutions.

The false worship of materiality in America must be rejected. The faith, the beliefs and the principles of our founders must be revived and restored: the creeping curse of mass apathy must be scorned and replaced with a new era of personal responsibility. In no other way can the moral integrity of this Nation be regained.

Against the godless enemy abroad our traditionally heroic virtues of patience, fortitude, courage, sacrifice and concern for our neighbor, must be resurrected. For the common goal of modern military preparedness on every front, all segments within our society—the individual, business, labor, agriculture, political parties—must submerge self-interest for the national purpose. We can, and we will, succeed if we march forward in living observance of the words in our pledge of allegiance, to be one Nation under God.

As Catholic American patriots, you are uniquely equipped to lead your new generation in this desperate fight to save the blessings of freedom for all mankind.

You have been taught that the dignity of man comes from His divine creation. You have been instructed that sacrifice is merely following the example of our Saviour. You have been shown that virtue in an individual, or a nation, can be attained only by adherence to the commandments of the Almighty. You have come to realize that man is the master of his own soul and the dictator of his own destiny. You have seen how the glory of the resurrection followed only after tortuous testing in the soul-searing fires of pain, sorrow, humiliation and even betrayal. You have learned that honorable service to country is but fulfillment of dutiful service to God.

The President of the United States has issued a clarion call for us to unite in a renewed and reinvigorated beginning to establish honorable peace throughout the world. He has indicated his own conviction that our desperate duel for such peace with a godless enemy may extend indefinitely.

He has further expressed his solemn belief that the hour has come for each American to decide for himself whether he wishes to abjectly accept the tyrannical yoke of Communist slavery or patriotically accept the long sacrifices imperative for the continuing enjoyment of the inalienable rights endowed upon him by his Creator.

The summary challenge before us, then, is whether the voluntary self-discipline of a free people in a united society, under God, can prevail over the regimented rule of a slave state under atheistic dictators.

Therein lies the opportunity for you to apply your training toward the victory we must commonly achieve.

The united proof of our capacity and character in self-discipline, for God and country, is the last chance we may have to convince the Kremlin leaders that peaceful settlement in honor, is their wisest choice in prevention of their own self-destruction in a nuclear war.

Strengthened by your special learning, inspired by your dedicated teachers, obligated by the sacrifices of your parents, with faith in your country and belief in your God, I ask you to go forth and assume your rightful leadership in this battle, fortified by the thoughts expressed by William Lloyd Garrison (when principles are involved) which were repeated and reiterated by President Kennedy as he recently left for Europe to meet the heads of state of that continent—"I am in earnest. I will not equivocate. I will not excuse. I will not retreat an inch and I will be heard."

I know that you graduates, when principles are involved, will be in earnest. That you will not equivocate. That you will not excuse. That you will not retreat an inch and you certainly will be heard and all will listen.

In dedicating yourselves to duty, for God and country, may I remind you your perseverance does have the inspiring guarantee of success in the promise contained in the words from the Scriptures, "He who endureth to the end will be saved."

DONOHUE EXHORTS ANNA MARIA 1961 CLASS

(By Betty Lilyestrom)

PAXTON.—Today's American college graduates have not been left the all-bright kind of legacy their elders would have liked, U.S. Representative HAROLD D. DONOHUE told graduating seniors at Anna Maria College yesterday.

Speaking at the college's 12th annual commencement exercises in Foundress Hall, the Worcester Congressman said it is up to the graduates themselves to make this the kind of world they would like to live in.

"I would like to be able to tell you that all is well at home and abroad—this is the kind of legacy we elders hoped to have waiting for you," he said, "but, unfortunately, this is not the case."

DONOHUE charged that America at home has become "soft from a long decline in our traditional high moral standards and ethical conduct" and that America abroad has underestimated both the strength and dedication of the enemy—communism—and the degree to which modern warfare has changed.

PAGAN MATERIALITY

"We have been complacently slow to understand the destructive nature of our emphasis on pagan materiality—the same pagan materiality that has marked the pages of history with the fall of other prosperous, proud and strong nations of the past into the dark, deep valley of oblivion from which no nation ever rises," he said.

He also charged that America has been guilty of treating communism as "a passing fashion no more threatening than a buzzing bumblebee," rather than as a force intent on ultimately enslaving the world.

Finally, he said, we have been "dangerously slow" in recognizing the fact that modern warfare has changed and that the old "shooting war" has been replaced by a war of pressure.

On a hopeful note, DONOHUE commented that a few signs of a "healthy general recovery" from these ills are observable.

"The first sign," he said, "is the recognition and admission of past indiscretions on the part of your elders. We may have been ethically lax, but the fundamental faith of our forefathers is still within us.

"We have permitted our enemy to embarrass us, but we have not allowed him to drive us to despair or defeat."

Much is yet to be done, he said, and the responsibility for doing it will fall on the shoulders of the young people emerging from colleges and universities throughout the country.

"The false worship of materiality in America must be rejected," he said. "The creeping curse of mass apathy must be replaced with a new era of personal responsibility.

"Against the godless enemy abroad, our heroic virtues—patience, fortitude and concern for our Nation—must be resumed. And in order to reach our common goal of preparedness on every front, we must each learn to submerge our individual interests to the single interest of the Nation."

Bishop Flanagan presided at the exercises and conferred degrees on 66 seniors, largest class ever graduated from the college.

Special honors included:

The Marian Award, presented by the Catholic Women's Club of Worcester to a member of the graduating class who best exemplifies the true spirit of Catholic womanhood, to Jacqueline Duguay Walsh of Worcester.

BISHOP GIVES DIPLOMAS

The Archibald R. LeMieux Award of $100 for outstanding merit—shared by Catherine T. Christmas of Holden, president of the student government; Jeannette Y. Hebert of Worcester, vice president of student government; and Cecile C. Quintal of Central Falls, R.I., president of the senior class.

Elected to Kappa Gamma Pi, national honor society of Catholic colleges for women—Geraldine M. Nadeau of Grand Cascapedia, Quebec; Gloria A. Stuart, of Easthampton; Jacqueline Duguay Walsh and Joanne C. Walsh, of Auburn.

Elected to Delta Epsilon Sigma, national scholastic honor society for students of Catholic colleges and universities—Elizabeth A. Dame of North Grafton, Geraldine M. Nadeau and Gloria A. Stuart.

Other speakers at the exercises included Rev. Theodore A. Fortier, A.A., who gave the invocation, and Sister Irene Marie, S.S.A., president of the college.

Bishop Flanagan officiated at a pontifical baccalaureate mass for the graduates yesterday morning in St. Paul's Cathedral. The sermon was preached by Rt. Rev. Msgr. David C. Sullivan, pastor of St. Peter's Church.

Excerpts From Remarks of Senator Estes Kefauver, Democrat, of Tennessee, at Memorial Day Ceremony, Veterans' Administration Center, Mountain Home, Tenn., Sunday, May 28, 1961

EXTENSION OF REMARKS

OF

HON. LOUISE G. REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mrs. REECE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include very fine excerpts from remarks made by the senior Senator from Tennessee, the Honorable ESTES KEFAUVER, in the Memorial Day ceremonies held at the Veterans' Administration Center, Mountain Home, Tenn., on Sunday, May 28, 1961:

No one can stand in this place, at this moment in time, without feeling caught up in our Nation's past, present, and future. Vast memories are collected here. So, also, are our dreams.

History's rollcall for Mountain Home stretches back to the Revolution. This was the home of Robert Young, a Revolutionary soldier who fought at King's Mountain and is now buried here.

It was the home, too, of other great figures: John Sevier and Andrew Jackson; the late Congressman Brownlow, who founded Mountain Home, and our lately departed friend, Representative Carroll Reece.

A great love of country, confirmed in duty, has always pervaded this area. It has long been acclaimed as having furnished more volunteers to the colors than any other section of the country.

Nearby Carter County, for example, furnished three companies of volunteers in World War I; so many that it became unnecessary to draft even one man in the county.

Many of those who died in that war and in later ones are buried among the 3,800 graves just beyond this memorial park. Their lips are sealed; most of us cannot know what had been their hopes and dreams.

And neither can we more than guess what were the hopes and dreams of those countless other Americans who have died for freedom's sake, as symbolized by the replica of the great tomb in our midst.

But many of those yet living who are gathered here today—the Gold Star Mothers, the Spanish-American War veterans and the survivors of other wars—can tell us much about the agony that war brings.

So can the patients and the doctors, the nurses and the counselors at the Veterans' Administration Center here at Mountain Home.

From them all, we can learn what it means to lose a son, a father, or some other relative in war. Or we can discover what it is like to forfeit an arm or a leg or otherwise become disabled by war.

It is not difficult to find out about the horrors of war. But how difficult it is to solve the riddle of peace; to learn how to advance the cause of freedom and brotherhood without resort to war.

Perhaps we could start by consulting some of those who hold the future in their hands—the hundreds of Boy Scouts who are taking part in this Memorial Day service.

What were their thoughts this morning as they moved through the VA cemetery close by, placing an American flag on each grave? What are their hopes and dreams?

Surely, they must have felt, as all of us do, a sense of gratitude to those departed for the contributions they had made to the cause of preserving freedom.

But did these youngsters have deeper, personal thoughts? Did they wonder whether it is inevitable that one day they, too, might be called upon to fight for freedom on shores not yet known?

Such a prospect, we elders must admit, can be exciting to a boy of scout age. It's an excitement not likely to be tempered by the sobering knowledge of war's horrors.

Besides, the search for peace, by contrast, is usually dull. It is sadly the marks of our civilization that we remember more vividly those who have fought in war than those who have fought for peace.

Yet, unless all civilization is now to be lost, we must teach our children to cherish freedom without automatically yielding to war as the inevitable and only recourse for settling disputes.

We must teach them that it is sometimes the better part of valor to exhaust all peaceful, honorable means of preserving and advancing freedom's cause before committing ourselves or our friends to battle.

In my lifetime, I have met few Americans called into their country's service who did not hope that the war they were then being asked to fight was supposed to be the war to end all wars.

So it is fair to ask ourselves whether those whose memory we honor today will have died in vain unless we, the living, dedicate our lives to the task of preserving freedom in peace.

The nature and character of today's world makes this a formidable task. It is a far different world than existed 40 years ago, 20 years ago, or even a year ago.

No longer does the balance of power lie with the great powers of Europe and North America, or even between the United States and the Soviet Union.

We are quickly discovering that millions of people in formerly out-of-the-way corners of the earth—in Africa and Asia particularly—are responding to the appeal of freedom and daily groping toward it.

Once we merely looked to the moon. Now we talk of shooting for it. But in our conquest of the skies, we are sharply reminded of the pressing problems that remain unsolved on earth.

Some of these are right at our doorstep. How can we persuade uncommitted millions that we truly believe in brotherhood and freedom when we deny the right of some Americans to ride a bus unmolested?

A score or more of limited wars have been fought in various parts of the world since the close of World War II. What a sad commentary on man's failure to live in peace with his international neighbors.

We have the machinery for peaceful settlement of our international problems. But this machinery is seldom used. There is, for example, the World Court. It is situated at The Hague and is staffed with brilliant international lawyers. Yet, it has decided less than 20 cases in 15 years.

In addition, there is the machinery of the Atlantic Alliance—both civilian and military—through which we can build a common front against communism and help small nations to help themselves.

But we need to use more of this machinery and use it more actively. We also need to close ranks: an Atlantic community which is divided, to paraphrase Lincoln, is one which is sure to fall.

The cause of democracy is one of freedom for all people under God. In subscribing to this principle, we must recognize that Americans hold no copyright on freedom; to flourish, it must be shared.

As Americans, let us recognize that democracy imposes greater responsibilities than any other kind of government—and then let us accept those responsibilities willingly.

In this rapidly changing world, let us freely listen to new ideas and fearlessly discuss them, for ignorance and a closed mind can contribute little to the awesome need of our times.

Finally, let us have faith in ourselves, in the people around us, in our leaders who are trying to serve, and in our country. But most of all let us have faith in God and the right. Thank you.

National Catholic Youth Week

EXTENSION OF REMARKS

OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. O'NEILL. Mr. Speaker, the 11th annual observance of National Catholic Youth Week will be from October 29, 1961, through November 5, 1961. The theme for the week is "Youth, Unity, Truth."

The National Council of Catholic Youth, under the guidance of the Rt. Rev. Msgr. Joseph E. Schieder, director of the Catholic youth of the United States, is sponsor of the week.

They are to be congratulated for selecting such an acutely appropriate theme, "Youth, Unity, Truth," which aims to focus the attention of the world on dedicated Catholic youth who pos-

sess the truth and yearn to work toward the union of all nations and all faiths, to alert the world to the tremendous power in the hands of young people committed to truth, and to help youth realize that all truth comes from God and that only through Him can youth achieve its goals.

No theme could be more attuned to the crises dominating the world today. Never before in the history of our country has it become more vitally necessary for American youth to band together their prayers and talents to spread truth and peace the world over. The theme has vast spiritual implications. Further, its political aspects are vital to our time. Youth will pray for the success of the United Nations and any future summit conferences, for the union of a world now severed by communism and unnatural stress between East and West.

Youth Week provides an opportunity for young people to display their talents and achievements—thus counteracting the unfavorable publicity incurred by a small minority of the young people in this country. It includes participation by thousands of schools, colleges, and universities, and local and national youth groups, in addition to millions of young people in the working world. Many military installations, both at home and abroad, count their young people among youth week participants. Programs of the week include religious services, radio-TV shows, award presentations, athletic events, parades, and social affairs.

The 8 million young people involved in Catholic Youth Week, along with the competent and unselfish adults working with them, deserve our congratulations and good will. I ask the attention of the entire public to this great week, and the support of the public for all those private programs devoted to the development of an able, spiritually strong and resourceful youth.

Prisoner-Tractor Exchange

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

WASHINGTON REPORT BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT, TEXAS

JUNE 3, 1961.

The prisoner-tractor exchange demanded by Castro is almost unbelievable and should be carefully studied and understood by every American—1,214 Cubans and 500 tractors ($30,000 each for heavy construction) are involved. Legally and morally many other matters are involved. The President planned the U.S. end by setting up the private committee of Eleanor Roosevelt, Walter Reuther, and Milton Eisenhower. These factors must be considered as pointed out by the President: (1) He acted as a private citizen; (2) this transaction (a) will not violate the law, the Logan Act, (b) is tax deductible, (c) the existing partial embargo preventing tractor shipment to Cuba can be changed, and (d) this is a humanitarian effort to save the lives of several hundred men.

Let's look at the facts: (1) The President, as head of our Government, cannot deal as a private citizen in foreign and military policy, even if he can in any other field (which is questionable). (2) He misinterprets the law, the Logan Act, when he says "I am advised that the Logan Act is not involved inasmuch as it covers only negotiations 'in relation to any disputes or controversies with the United States or to defeat the measures of the United States.'" As I see it, the facts of this deal clearly establish violation of the Logan Act. This deal does involve the defeat of measures of the United States. We are in controversy with Communist Castro. Finally, clearly private citizens cannot engage in foreign policy replacing the Government. (3) Contributions cannot be tax deductible as charity or in rehabilitation and assistance of needy refugees. Cuban prisoners do not fit this picture at all. Blackmail is not charity nor vice versa. (4) An export license to ship tractors as a humanitarian effort further fails in logic when it is realized that the equipment is quite possibly to build military bases, later to kill those who endeavor to free Cuba from communism (as the President has promised we will do). (5) This is not humanitarian, when the price of saving these prisoners is (1) blackmail, (2) aids and gives comfort to the enemy in his military buildup, (3) will result in later deaths as the fortifications are strengthened, (4) sets the precedent for later ransom situations when American citizens as tourists, as military or civilian representatives, or in whatever capacity, can be seized and held anywhere outside the continental limits.

For my part, as a Representative, I swear to uphold the Constitution and this action clearly violates the letter and spirit of the Constitution. Therefore, I do not so define national unity and purpose as reason for my silence and refusal to criticize. On the contrary, it is my hope that citizens throughout this great land will rise up and demand a different and clear policy that repudiates this blackmail effort. In this case, the people must lead the Executive (as has occurred many times when Congress overrode a Presidential veto, the voice of the people) to the right course of action. Patriotism demands that we all protect our beloved Nation from faulty leadership and poor judgment.

John and Lou Tower took Washington by storm. The airport reception, the private reception, the heartfelt eulogies over this Texas election on the floor of the House and Senate have provided a fresh breath of air in this staid and jaded political center. John and Lou were never better than when greeting their new-found friends. Poised, happy and sincere, they accepted the plaudits with modesty. I am more convinced than ever that we will now see unfold before us one of the most outstanding political careers of our times. JOHN TOWER has the ability, the understanding and the determination to make an outstanding legislator, a Senator of whom Texas can be proud. There is no question of the good will extended to JOHN by all. He starts his political career with the admiration and respect of friend and foe alike. The entire Nation has taken heart over this election. For my part, I am proud to have been able to participate in JOHN'S election and reception to Washington.

President Eisenhower made an outstanding speech at the congressional dinner in which he outlined a role of Government, foreign and domestic, called responsible progress. Besides the ex-President, greatest applause went to Senator GOLDWATER and TOWER.

Extension of the Korean wartime excise and corporate taxes passed in the Ways and Means Committee, 22 to 3. I opposed the extension as a protest to the temporory extension of a temporary tax. It is time for broadly based tax reform. We keep talking about doing it but no action. Further, I am getting tired of "picking up the tab" for the big spenders. It's time we cut down the Government's spending money. This will not succeed (my opposition) unless the people demand less Federal spending and a balanced budget. After all, there are no constitutional limits on Federal borrowing. Here, too, is an area where Government needs to be curtailed.

Our gold supply is down to $17.4 billion of which $11.2 billion supports our currency. That leaves $6.2 billion and President Kennedy has asked that we give away $4½ billion in foreign aid. Looks like our solvency and sound money won't last long at our current rate of spending. President Kennedy's spending proposals are already over $4 billion beyond his January estimates. Where are we going?

Excerpt From Opening Statement by Hon. Francis E. Walter, Chairman of the House Committee on Un-American Activities, for Opening of Public Hearings by the Committee in the Caucus Room, House Office Building, Washington, D.C., May 31, 1961, Before Hearing Any Witnesses

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I present the text of an opening statement by Hon. FRANCIS E. WALTER, chairman of the House Committee on Un-American Activities, of which committee I have been a member for about 14 years.

The primary reason I am pleased to present this statement by my distinguished chairman is that it is a good illustration and sample of the sort of preliminary statement which is always read by the chairman of either the full committee or a subcommittee prior to the swearing in of any witness to testify before the committee or the hearing of testimony before the committee.

Mr. Speaker, can there be any question in the mind of any reader of this statement that it clearly sets forth the purposes and objectives of the hearing to which the statement relates? Can there be any question but that any officer or member of the Fund for Social Analysis, some of the officials of which were about to be questioned by the committee, were put on notice before they took the witness chair in the hearing room of the pertinency of questions which they might be asked about their organization's operations?

And, Mr. Speaker, not least of all in this statement do I call your attention to the next to the last paragraph thereof which states as follows:

The committee is not in any sense interested in restricting bona fide research and

study of communism. In fact, it has encouraged an objective study and teaching of communism, so that America may better understand the problems that communism poses throughout the world.

EXCERPT FROM OPENING STATEMENT

(By Hon. FRANCIS E. WALTER)

Many hearings held by the committee over the past several years have documented the volume of Communist propaganda being printed in the Soviet Union and its satellite countries for dissemination in the United States. The methods used to import this propaganda has also been documented. In an effort to curb this abuse, I have offered H.R. 5751, which is presently on the Consent Calendar. This bill is identical with the one which passed the House in the 86th Congress, but did not reach a vote in the Senate.

We do not believe that Communist propaganda will be fully controlled by this bill, or for that matter by any bill. A Communist propaganda offensive is being waged both from without and from within this country in many different fields, and this committee has endeavored and will continue in its efforts to aid Congress in its consideration of necessary remedial legislation to control this Communist weapon.

Prior to 1947, scores of Communist-front organizations, engaged in propaganda activities, enjoyed tax-exempt status. Moneys donated to such organizations were deductible on the income tax returns of individual and corporate donors. In 1947, the Commissioner of Internal Revenue, acting on the findings of the Attorney General, removed the tax-exempt status of those organizations which the Attorney General found to be subversive.

This was thought to be the coup which would fold most of these subversive organizations but as we know, it did not. Most of the organizations continued to flourish, although at the start with a reduced budget. It was not until organizations were found to be subversive by the Subversive Activities Control Board that many ceased to exist, at least under the name by which they had been known for years. However, even such a finding did not bring about the demise of the American Committee for Protection of the Foreign Born. Newly named organizations are cropping up daily to replace those which have served their purpose.

None of these propaganda organs died from the lack of income. They were discontinued because they had served their purpose or because the citation as subversive removed their acceptability to the general public.

Years have now passed since the Attorney General has cited an organization as subversive. The limitation placed upon his office by the courts is having the effect of stopping further citations. The courts delay in passing upon the provisions of the Subversive Activities Control Act of 1950, and the years it takes between a hearing before the Subversive Activities Control Board and the issuance of a final order, have all worked to the advantage of Communist organizations. Therefore, the Commissioner of Internal Revenue needs authority to deny tax relief to these organizations immediately upon their formation.

However, denial of tax exemption has not, and will never bring about the elimination of propaganda organizations. Preliminary investigations by the committee has uncovered the fact that one organization has solicited over the period of less than 5 years, over a quarter of a million dollars. This money has been used almost exclusively in the dissemination of propaganda in defense of the Communist Party and its members, and in the furtherance of Communist Party objectives. Its principal income has not been taxable because it is derived from gifts or contributions. The organization does not seek tax-exemption. It files a return which excludes gifts or contributions from tax computation. Thus, the expenses exceed the taxable income and no tax is due the United States.

We have found that many organizations engaged in subversive propaganda do not bother to even file a return. They likewise do not bother to maintain records and thereby place a burden on the Internal Revenue Service of proving the amount of income received and the source thereof. In the case of one organization, when the Internal Revenue Service made inquiry as to why no return had been filed, it refused to make its records available for examination. By the time the Internal Revenue Service demanded the production of the records, the organization had been abolished. Within months the same people, organized under a new name, were back working on behalf of communism.

Based on this preliminary evidence, I introduced H.R. 4700, to amend section 11 of the Subversive Activities Control Act of 1950. This legislation is designed to place in the hands of the Internal Revenue Service authority to proceed immediately against Communist-action, as well as Communist-front, organizations. It further provides that contributions made to such organizations shall be considered as taxable income, and further that money expended in carrying out subversive propaganda shall not be deductible.

The purpose in calling the officers of the Fund for Social Analysis is to determine whether the organization is using funds contributed to it for Communist propaganda purposes or other Communist Party objectives, and if so, whether or not the use of funds for such purposes by this and other organizations justifies the enactment of H.R. 4700, which has been referred to this committee.

An additional purpose of the hearing is to ascertain whether or not the witness, aside from any relationship he might have with the Fund for Social Analysis, is engaged in activities in behalf of the Communist Party of the United States or the international Communist movement.

The committee is not in any sense interested in restricting bona fide research and study of communism. In fact, it has encouraged an objective study and teaching of communism, so that America may better understand the problems that communism poses throughout the world.

Among the witnesses subpenaed are three officers of the Fund for Social Analysis, who have been served with a subpena duces tecum requiring the production of certain records. The production of these records is being sought for the purpose of aiding the staff in the conduct of its investigations and not for the purpose of spreading them on the public record.

The Preeminence of Bach

EXTENSION OF REMARKS

OF

HON. RICHARD L. ROUDEBUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. ROUDEBUSH. Mr. Speaker, in the year 1740 a survey was made in central Europe to determine the leading composer of that period. George Philipp Telemann—1681–1767—a contemporary of Bach, was given first place, while Bach was placed seventh. Exactly 200 years later another survey was made and Bach was placed second behind Beethoven, but the experts disagreed and Bach was accorded first place.

What is the explanation for Bach's growing esteem, and his contribution to the annals of musical art? Is it not because of the fact that his selections of harmonic progressions always result in a triumphant conclusion? It is true that in playing Bach the ears must listen as well as hear, because Bach does not go out to meet you—you must go to meet him. We see the intensive mental concentration of mind, because he had trained himself to think accurately in musical terms, and we have only to listen with open mind to enjoy it.

As H. E. Wortham wrote in Country Life several years ago:

> Bach was one of the men whom God sends into the world from time to time to remind us that He exists. His stature is not to be measured by a critical apparatus. But in spite of his angelic qualities Bach was still a man. Nay, more, he was a German ready to write music for 25 hours a day, expecting one to listen to it with equal laboriousness.

A hundred years ago the name of Bach did not figure often on concert programs; in fact his name was seldom met with outside the organ-loft and choir. Even Beethoven recognized him chiefly for the well tempered clavichord, and it was not until 1821 when Mendelssohn, filled with great enthusiasm for Bach's genius, presented the St. Matthew Passion in Berlin with a chorus numbering about 400.

> The crowded hall looked like a church—

wrote Fanny Mendelssohn—

> and everyone was filled with the most solemn devotion; one heard only an occasional involuntary ejaculation that sprang from deep emotion.

He was respected as a great organist and composer but his true greatness was not understood during his lifetime by his contemporaries. Many were ill-disposed toward his music, among which Johann Scheibe made a scathing attack in 1737 in his periodical, Der Critische Musikus.

Bach was essentially a church composer and his religious works are his finest achievements. Built on the foundation of supreme craftsmanship, they are reared with the devotional fervor derived from unbounded religious faith. Many of his loftiest pages written for the church belong to the greatest music of all times. His many chorales are the purest manifestations of the spirit, and are examples of the strongest, soul-filled, noblest, and most contenting music in the world. Nobody else could do what he did, and that within the bounds of his own particular style, he developed the art of music as far as it could possibly be developed.

On many of his manuscripts he wrote, "To God Alone the Glory"; and on one occasion he wrote: "The sole end and aim of music should be nothing but the glory of God and pleasant recreation;

and where this object is not in view, there can be no true music, but only an infernal scraping and bawling."

He is not only one of the great dramatic composers but one of the masters of psychology in musical art. In his Passions he transcends every other composer in the portrayal of both rare individuality, as in the Jesus parts, and the maddened bloodthirsty crowds. The demand for the destruction of Jesus in the "Passion According to St. John" is wrought by him into music which in its savagery stands literally alone.

As cantor at St. Thomas Church it was his duty to provide for the services of the church, as well as for those of St. Nicholas, a cantata for every Sunday in the year, as well as for special festivals as Epiphany, Trinity Sunday, et cetera. In all, 59 cantatas were required, and if, as was stated in his obituary notice—a statement which Forkel, the first biographer of Bach affirmed—Bach composed 5 complete yearly cycles of cantatas, he must have written 295. Of these, 100 have evidently been lost. He composed in all styles and forms, vocal and instrumental, sacred and secular, and his compositions demonstrate abilities which render them only accessible to genius.

In his great study of the art of J. S. Bach, M. Andre Pirro writes:

Parallel with his hunger to know all the resources of his art, Bach's most essential feature is his stubborn resolve to make it in some way an instrument whereby he may dominate men's minds. He is vehemently expansive, and desires to compel his hearers to follow and understand him. But first he must guide them and show them which way they are to be led by his will. He marks out their path sternly by unceasing insistence on his motives by the irresistible rigour of his rhythms, by the significant intensity of his harmonies.

Wagner spoke of him as "the most stupendous miracle in all music," while Chopin recommended that all piano students study Bach because, "this is the highest and best school. No one will ever create a more ideal one." In 1827 Goethe, after listening to Bach's music, said:

One seems neither to possess nor to need one's ears; still less eyes or any other sense.

Once while playing to a French opera composer, Schumann nearly lost his temper over the Frenchman's inability to understand Bach, and his persistent belief that Bach was an old composer whose music was likewise old. "I told him he was neither new nor old," wrote Schumann to his future wife, "but a great deal more, and that is, eternal." When only 22 Schumann wrote to his mother that Bach "seemed to have a strengthening moral effect upon my whole system," for he was "a thorough man, with nothing sickly or stinted about him."

Last year seven foreign countries held special Bach concerts and many American cities have held special concerts in recent years. It is significant that after more than 200 years after his death, the appreciation of Bach's monumental polyphonic works are constantly on the increase.

Congressman Lane Addresses American Gold Star Mothers

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a portion of my remarks as the principal speaker at a reception and tea given by the American Gold Star Mothers, Inc., Department of Massachusetts, for the newly elected officers that took place on Sunday afternoon, June 4, 1961, at Lawrence, Mass.

Mrs. Eva A. Prunier, a resident of Greater Lawrence, Mass., one who has been most active for many years as an officer and former president of the auxiliary of the Veterans of Foreign Wars, and who has worked zealously in behalf of the Gold Star Mothers, was installed as president of this highly respected and admired organization representing the mothers whose sons have made the supreme sacrifice.

The remarks follow:

In choosing this location for the reception and tea for the newly elected officers of the Department of Massachusetts, Gold Star Mothers of America, you honor Greater Lawrence which is the home of Mrs. Eva A. Prunier, your department president.

In turn, our community honors your organization by its example of sacrifice and courage above and beyond the call of duty.

Near the center of the Lawrence Common—about a block and a half from here—is the memorial to three Campagnone brothers who died in the service of our country, during World War II.

A few more streets to the southwest is a square with a bronze plaque in memory of the two Kater brothers and the lives they gave for freedom, less than 20 years ago.

When we were children watching the few surviving veterans of the Civil War riding in open cars along the route of the Memorial Day parade they represented an experience that had happened to other people long ago and would never happen again.

We had hardly grown up when our fathers and brothers were summoned to meet the test of World War I. A generation later sons and daughters followed in their footsteps.

Then came Korea.

And now the children of yesterday guard the frontiers of freedom in these days of uncertain peace, at duty stations far from home.

To us history is no longer the story of how previous generations of Americans lived up to their responsibilities: it is also the story of the present. Whether we succeed or fail we are writing with our lives the history that will influence the schoolchildren of tomorrow.

The blessings of freedom will be saved for posterity if we strive to eliminate intolerance and discrimination from our own society and extend understanding and help to the underprivileged peoples of this world who claim the right to human dignity and progress.

To overcome the challenge of communism and to prove that freedom alone will achieve the emancipation of mankind, we shall have to work hard, and to make sacrifices for the sake of others.

Being human and aware of our limitations as one person among billions, we look for the encouragement, the strength, and the purpose to go forward from the people around us.

In my opinion, the faith and fortitude of the Gold Star Mothers is the example that should inspire our Nation with the character to meet the responsibilities ahead.

A mother's love is the greatest influence for good in the lives of her children. The memory of it sustains and guides them through all the years of their journey because it never dies.

Those mothers who put aside every personal longing and gave their sons the confidence to fight and die for human rights remind all the people of the United States that they too must give the best of mind and heart and effort for the future of mankind.

If the people respond, as I am sure they will, with only a small part of your complete love for our country, we will do what must be done to win the cold war.

Without an organization like the American Gold Star Mothers, many of our people now concentrating on their private interests might neglect their obligations to the community of freedom.

With your example before them they cannot forget.

In wishing every success for your newly elected department officers, I bring the congratulations of a friend and neighbor to your president.

Mrs. Edward D. Prunier represents the highest ideals of service to the Nation. Her son, George, was killed in action during World War II. Howard Prunier and Allan Prunier, two of her five living sons, are protecting us as members of the U.S. Army and the U.S. Air Force.

Her courage, cheerfulness, and compassionate heart for those in need of understanding and assistance are the qualities you have recognized and honored by electing her to lead the department of Massachusetts.

As president of the Gold Star Mothers in our State, Mrs. Prunier will initiate those policies and programs that will increase your pride in the comradeship of sacrifice.

The people of Massachusetts are grateful to you and to her for the inspiring example of our Gold Star Mothers.

Ware, Mass., Bicentennial

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1961

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein an address which I made on Sunday, May 28, at the commemorative services of the 200th anniversary celebration of the town of Ware, Mass., in my district.

The program for the occasion, ably conducted by one of Ware's prominent sons, Mr. Philip W. Robinson, was most thoughtfully arranged and featured an organ recital, community singing of standard oldtime songs and a most unusual reading and musical cantata entitled "Holiday Montage," by a special

bicentennial chorus; an eloquent introduction of the speaker by the able and distinguished chairman of the board of selectmen, Mr. Bernard Wilson; a salute to the flag read by Mrs. Alice Hannum, distinguished president of the Women's Relief Corps; and the presence of four generations of descendants of the prominent and distinguished Schoonmaker family.

Seldom have I ever been privileged to observe, let alone participate in, such an impressive program. It was in the best traditions of New England and the Nation and deeply inspired all those privileged to hear it.

The Ware bicentennial celebration has been very ably planned by a committee of outstanding citizens and includes publication of a history of Ware, 1911–60, by John Houghton Conkey and Dorothy Denham Conkey, a very able piece of work; a marble tourney conducted by the Veterans of Foreign Wars; coronation ball; selection and crowning of the bicentennial queen; and a memorial program; Decoration Day services; Little League baseball; fireworks on July 4; open house at the Mary Lane Hospital and dedication of a new wing; tennis tournament and weekly band concerts during the month of August; Old Home Day at the First Congregational Church; Ware Center historic exhibit, "Ware in Retrospect"; Ware Library; road race; paintings by Elizabeth H. Lincoln, Young Men's Library Association; Firemen's parade and muster; display of products manufactured in Ware; various church services and family gatherings; picnics; sports; band concerts, bicentennial parade, barbecue and fireworks; high school dedication and Boston Celtics game.

Ware is a community of unsurpassed beauty located in a lovely New England valley flanked by eternal hills. It is a small industrial town composed of hard-working, industrious, God-fearing people. Textile industry was originally located there. In recent years with the decline of textiles, its industries have been diversified. Ware is a thriving business and trading center for the people of surrounding towns and is a prosperous, thrifty, well-conducted community, still a manor of peace where people of different races and religious faiths live in complete harmony, neighborliness, and amity, exemplifying the finest traditions of American life.

Ware is a progressive and forward-moving community that always adjusts itself to the needs of the times. Its citizenry is alert, well educated, dedicated, and loyal to free government.

The Ware bicentennial slogan, "Active and Neighborly," appropriately describes its spirit. Ware has completed 200 glorious years. As it goes into the future with characteristic courage, bouyant spirit and high hopes to the new levels of achievement that are foreordained for this loyal, patriotic American community, its neighbors, many friends, and admirers are certain that it is one community that "cannot be licked."

The address follows:

REMARKS OF CONGRESSMAN PHILIP J. PHILBIN, WARE ANNIVERSARY CELEBRATION, SUNDAY, MAY 28, 1961

It is a real pleasure, honor and happy privilege to join you today in this impressive commemorative service of the great anniversary celebration of the beautiful town of Ware.

In the first instance I must extend my warm compliments and heartiest congratulations to your brilliant bicentennial chorus, its leaders and accompanists for the very beautiful musical program, delightful singing of oldtime songs so dear to our hearts and the rendition and reading of the most appealing cantata, "Holiday Montage."

I want to compliment your committee upon the outstanding work of arranging a fine, suitable program for this anniversary, and am sure that it will bring many happy memories, much strong inspiration and renewed dedication for all the people of Ware and for many others who admire your outstanding history, your unsurpassed civic spirit and your stanch patriotism.

All of us may well take pleasure and satisfaction today in contemplating the early founding of Ware, its illustrious history, and the many magnificent contributions which its people have made, in war and in peace, to human progress and to our Commonwealth and Nation.

The proud history of Ware dates back to the early Indian wars, to a period long before the formal incorporation of the town November 28, 1761, before the establishment of the Union and before the Revolutionary War.

Some historians assert that John Read, owner of large tracts of land in Connecticut and Massachusetts, gave the name of "Manour of Peace" to this community because at the time the area was enjoying an uneasy peace from Indian raids.

In his scholarly, well-documented history of Ware, Rev. Arthur Chase gave the year 1726 as the first date of settlement, when Henry Dwight located on 200 acres of land in the southern part of the "Manour of Peace" which he had leased.

At an early date, in fact as early as 1730, the value of Ware's waterpower was recognized, because it was then that a mill was established near the falls of the river. This was run by Capt. Jabez Olmstead, a stalwart Indian fighter and officer in the expedition against the French at Louisburg in 1745.

From the very beginning the river has greatly influenced the town, and from it has come its name of today. The Indians called the river the Nenamesec, which means fishing weir. The river in those days abounded in fish, especially salmon, and it was a favorite fishing spot for the Indians.

Today the town seal of Ware recalls the catching of fish by the Indians at the falls.

The Ware River has certainly been a principal source of the town's industrial strength because its swift running waters furnished a cheap source of power able to turn the wheels of industry.

Down through the years the town has seen many industries grow, prosper, and sometimes fade away with the changing needs of the times.

In 1937 the famed Otis Mills in Ware provided employment for about 1,700 of the town's population. That is the year, some will recall, when the town's economy received a crushing blow when the mills closed without much advance warning.

And that is the year, one of the most glorious in its long history, when the town fought back to become hailed as "the town that couldn't be licked," because in 11 days the townspeople dipped into their savings to put up $50,000 to organize an industrial comeback.

We all should be proud to recount the days when in a little more than 2 years, due to the courage, persistency, good judgment, and intelligent direction, and above all the loyalty of the people, Ware had more people working with larger payrolls than ever, in such diversified industries as hats, shoes, dresses, metal, woolen, and woolen goods.

Reared in struggle and sacrifice, profoundly devoted to freedom and its meaning, unshakable in religious and patriotic faith, it was only natural that Ware should make great contributions in the Civil War. Just a few days after the firing on Fort Sumter, a special Ware town meeting voted $5,000 to equip volunteers and provide for their families in their absence.

The Ware company, Company D, 31st Regiment, Massachusetts Volunteers, with about 60 enlistees from Ware, was the first to land for an attack on New Orleans in 1862.

The Civil War Memorial in Aspen Grove Cemetery bears the names of 42 honored dead from Ware who made the supreme sacrifice in that war. In all, 211 served from Ware, a most exceptional sacrifice for the then small community, and the history books abound with the heroic exploits of the noble sons of Ware who sacrificed so much to preserve the Union.

In the Spanish War, in World War I, in World War II, in the Korean war, in every crisis that confronted the Nation, the sons and the people of Ware were found in the foremost ranks of those who rallied in every way to the defense of freedom, the preservation of the Nation and the perpetuation of the great ideals of democracy and justice.

Certainly we must pause today and recall the unselfish service, the heroic deeds, the gallant sacrifices, the steady, loyal citizenship typical of Ware residents who have sprung to the defense of the Nation in times of danger, and have served with such shining example, warm inspiration and wholehearted dedication in the days of peace.

We must always remember with most grateful appreciation the struggles of the early American settlers who carved this beautiful community out of the wilderness, and set up their temples of worship, homes, schools, and civilized institutions and orderly free government, in this honored place. They were hardy, resolute people, fiercely and militantly committed to human freedom in all its ramifications. We can never forget the great debt we owe them.

As years sped along, peoples of other races have come to this community bringing their rich heritage of love of God and passion for liberty, representing the so-called newer races of many nationalities, that loyally joined with the older ones to bring fulfillment to the American dream—the Irish, the Poles, the French, the Italians, the Germans, the Jews, the Scandinavians, people from the Near East, and many other parts of the world who have come to this community, some of them in larger numbers than others, all bringing with them something of worth and value to the building of a greater and better community and a stronger, greater Nation.

In intervening years great changes have occurred in the makeup of Ware's population, and today many peoples and strains are here—all loyally working for the betterment of community and country.

We may well be proud and thankful today—proud of the achievements and accomplishments of the past wrought out of the hands and minds of sturdy pioneers, out of the loyalty and devotion of all the dedicated peoples who have followed them, thankful that this community and our Nation have been blessed by the Almighty to be endowed by such patriotic, able, intelligent leadership, strengthened and sustained by such wholehearted and devoted people, all seeking and working to sustain the great po-

litical ideals and moral truths of our way of life, building on the great foundation stones of the past, and steadily forging ahead in these crucial days with unabated vigor and faith, carrying the torch of freedom into the space age and wherever it may lead man in his quest for knowledge, human betterment, and spiritual enlightenment.

This troubled world would be better, I know, and the critical problems which face us today would be more easily solved, I am sure, if we of this generation are ever mindful, as we go into the future, of the great sacrifices that have been made to build this great Nation of ours, because it is only by living up to the principles, ideals, and values which the people of past generations fearlessly fought and died for, and which we must resolutely guard in our time and transmit to those who come after us, that the previous blessings of ordered liberty may be assured for this Nation and the world.

If we boldly face every problem and danger that confronts us in the spirit of this great heritage, no power on earth can ever prevail over us.

I congratulate the town and wonderful people of Ware upon this historic anniversary and hope and pray that in the time to come the good Lord will bring you and your inspiring American community his choicest blessings of good health, prosperity and happiness and many anniversaries like this one, and a people, ever grateful to the glorious past, and resolutely dedicated under God to the principles and values of human freedom, security, and peace.

Thank you very much for the high privilege of being with you today.

SENATE

TUESDAY, JUNE 6, 1961

The Senate met at 11 o'clock a.m., and was called to order by the President pro tempore.

Rev. Edward Hughes Pruden, minister, First Baptist Church, Washington, D.C., offered the following prayer:

Our Father, God, we turn to Thee once more in thanksgiving as we take up the duties of a new day. While the conditions of our contemporary world give us grave concern, we are grateful that even the crucial circumstances of life remind us of our desperate need of Thee. Give us the sense of humility that will send us to our knees in prayer, and the willingness to do Thy will which will cause us to rise up and go about our task with confidence and joy. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 2, 1961, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON RESEARCH AND DEVELOPMENT WORK ON J-2 ENGINE

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on proposed research and development work on the J-2 engine; to the Committee on Aeronautical and Space Sciences.

AGREEMENTS CONCLUDED UNDER TITLE I OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, reporting, pursuant to law, on agreements concluded during April 1961, under Title I of the Agricultural Trade Development and Assistance Act of 1954 with the Governments of Ecuador, Bolivia, Iceland, Iran, Pakistan, Republic of China (Taiwan), and Yugoslavia (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF SECTION 3579, TITLE 10, U.S. CODE, RELATING TO AUTHORITY OF CERTAIN OFFICERS OF MEDICAL SERVICE CORPS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps may exercise command outside the Army Medical Service when directed by proper authority (with an accompanying paper); to the Committee on Armed Services.

PROPOSED TRANSFER OF PATROL CRAFT TO NORTH CAROLINA TUBERCULOSIS ASSOCIATION, INC.

A letter from the Assistant Secretary of the Navy (Installations and Logistics), reporting, pursuant to law, on the proposed transfer of a patrol craft to the North Carolina Tuberculosis Association, Inc., of Raleigh, N.C.; to the Committee on Armed Services.

REPORT ON OPERATIONS OF BUREAU OF COMMERCIAL FISHERIES TO ENCOURAGE THE DISTRIBUTION OF DOMESTICALLY PRODUCED FISHERY PRODUCTS

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, a report on the operations of the Bureau of Commercial Fisheries to encourage the distribution of domestically produced fishery products, for the fiscal year 1959 (with an accompanying report); to the Committee on Commerce.

AMENDMENT OF POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Policemen and Firemen's Retirement and Disability Act (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF LEGAL AID AGENCY FOR THE DISTRICT OF COLUMBIA

A letter from the Chairman, Legal Aid Agency for the District of Columbia, Washington, D.C., transmitting, pursuant to law, a report of that Agency, for the period November 15, 1960, to May 15, 1961 (with an accompanying report); to the Committee on the District of Columbia.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, TO REMOVE LIMITATION ON THE MAXIMUM CAPITAL OF THE GENERAL SUPPLY FUND

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to amend section 109 of the Federal Property and Administrative Services Act of 1949, as amended, so as to remove the limitation on the maximum capital of the General Supply Fund (with an accompanying paper); to the Committee on Government Operations.

REPORT ON EXAMINATION OF LEASING OF CERTAIN AIRCRAFT TEST ENGINES TO GENERAL ELECTRIC CO.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the leasing of Government-owned aircraft test engines by the Department of the Air Force to General Electric Co., Cincinnati, Ohio, dated June 1961 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF REVISED ORGANIC ACT OF THE VIRGIN ISLANDS, RELATING TO SALARY OF THE GOVERNMENT COMPTROLLER

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 17(a) of the Revised Organic Act of the Virgin Islands pertaining to the salary of the Government Comptroller (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Hawaii; to the Committee on Armed Services:

"CONCURRENT RESOLUTION 70

"Resolution requesting the Congress of the United States to enact legislation to provide for the retirement of and additional benefits for reservists with 20 or more years of satisfactory service

"Whereas article 1, section 8 of the Constitution of the United States gives the Congress of the United States the power to provide for the common defense; and

"Whereas the presence of a youthful and extensive Reserve force is one of the best ways to provide for the common defense; and

"Whereas the present situation, wherein the advancement of the more youthful and dynamic elements in the reserves is being delayed by the lack of openings in the higher levels, will cause this group to abandon the program; and

"Whereas such an abandonment would not occur if there were a better chance for advancement; and

"Whereas there would be more openings in the higher levels if additional fringe benefits were granted to retirees with 20 or more years of satisfactory service; and

"Whereas the cost of such a program of fringe benefits would be negligible as compared with the benefits that would accrue to the country; and

"Whereas the United States has already made a great investment in the training of these young men that it would be economically sound to continue to employ their services: Now, therefore, be it

"Resolved by the House of Representatives of the State of Hawaii, General Session of 1961 (the senate concurring), That