



CONGRESSIONAL QUARTERLY Weekly Report

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Congressional Boxscore

MAJOR LEGISLATION IN 87th CONGRESS

As of June 22, 1962

Party Line-up

	Dem.	GOP	Vacancies
House Line-up	263	174	0
Senate Line-up	64	35	1

BILL	HOUSE		SENATE		STATUS
Welfare Revision (HR 10606)	Reported 3/10/62	Passed 3/15/62	Reported 6/14/62		
Medical Care for the Aged (HR 4222) (S 909)	Hearings Completed				
Public Works (HR 10113) (S 2965)	Reported 6/2/62		Reported 4/25/62	Passed 5/28/62	
Manpower Retraining (HR 8399) (S 1991)	Reported 8/10/61	Passed 2/28/62	Reported 7/31/61	Passed 8/23/61	PL 87-415 3/15/62
Youth Employment (HR 10682) (S 404)	Reported 3/29/62		Reported 7/2/61		
Literacy Test Restriction (HR 10034) (S 2750)	Hearings Completed		Hearings Completed	Debate Suspended	
Aid to Education (HR 8890) (S 1021)	Reported 8/29/61	Rejected 8/30/61	Reported 4/12/61	Passed 5/25/61	
College Aid (HR 8900) (S 1241)	Reported 8/29/61	Passed 1/30/62	Reported 9/15/61	Passed 2/6/62	In Conference
Medical School Construction (HR 4999) (S 1072)	Reported 3/24/62		Hearings Completed		
Postal Rate Increase (HR 7927)	Reported 8/7/61	Passed 1/24/62	Hearings Underway		
Federal Pay Raise (HR 10480)	Hearings Underway		Hearings Underway		
Conflict-of-Interest (HR 8140)	Reported 7/20/61	Passed 8/7/61	Hearings Completed		
Omnibus Farm Program (HR 11222) (S 3225)	Reported 5/16/62	Recommitted 6/21/62	Reported 4/27/62	Passed 5/25/62	
Urban Affairs Plan (Plan No. 1)	Reported 2/15/62	Disapproved 2/21/62	Hearings Completed		
Welfare-Pension Plans (HR 8723) (S 2520)	Reported 8/18/61	Passed 2/7/62	Reported 9/8/61	Passed 2/7/62	PL 87-420 3/20/62
Mass Transit (HR 11158) (S 3126)	Approved by Subcommittee		Approved by Subcommittee		
Wilderness System (S 174)	Hearings Completed		Reported 7/27/61	Passed 9/6/61	
Tax Revision (HR 10650)	Reported 3/16/62	Passed 3/29/62	Hearings Completed		
Corporate, Excise, Travel Taxes (HR 11879)	Reported 5/24/62	Passed 6/6/62	Reported 6/18/62		
Civil Defense (HR 10262)	Hearings Completed				
Reciprocal Trade Program (HR 11970)	Reported 6/12/62				
Foreign Aid Authorization (HR 11921) (S 2996)	Reported 6/7/62		Reported 5/28/62	Passed 6/7/62	
UN Bond Issue (HR 9982) (S 2768)			Reported 3/13/62	Passed 4/5/62	
Sugar Act Extension (HR 11730) (S 3290)	Reported 6/15/62	Passed 6/19/62	Hearings Underway		
Communications Satellites (HR 11040)	Reported 4/24/62	Passed 5/3/62	Reported 6/12/62	Debate Underway	

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Floor Action

48 DEMOCRATS JOIN GOP TO KILL PRESIDENT'S FARM BILL

By a 215-205 roll-call vote the House June 21 sent back to the House Agriculture Committee, and in effect killed, the President's bill (HR 11222) embodying supply-management controls for wheat, corn and other feed grains. (For voting, see chart p. 1080)

Voting for recommitment were 167 Republicans and 48 Democrats while 204 Democrats and only one Republican, Phil Weaver (Neb.), voted against the motion.

Of the Democrats who voted against the bill, 31 were from Southern states, and 17 were from Northern and Western states: Southerners -- Texas (9); Mississippi (5); Virginia (5); Louisiana (3); Florida (3); Tennessee (3); Oklahoma (2); South Carolina (1). Northerners -- New York (3); Maryland (2); Pennsylvania (2); New Mexico (2); California, Indiana, Iowa, Massachusetts, Nevada, Ohio, Rhode Island and West Virginia (1 each).

Following recommitment, White House Press Secretary Pierre Salinger issued a statement calling the action a "staggering setback." He said that Republicans would have to bear responsibility for the "continuing chaos" resulting from failure to adopt the Administration proposals. The President had urged bipartisan support of the farm bill at his June 14 press conference. (Weekly Report p. 1074)

The vote came as a surprise, for Administration leaders had been predicting they would get enough votes for passage. Prior to recommitment the House had turned back, on a 122-224 standing vote, a substitute for the feed grains and wheat controls section offered by Charles B. Hoeven (R Iowa). The substitute would have extended the current temporary wheat and feed grains programs (which pay farmers who agree to reduce their planted acreage), allowed wheat and feed grains farmers who did not plant any of such crops to buy wheat or feed grains from the Commodity Credit Corporation at low prices for use or resale, and extended the conservation reserve soil bank program, under which the Government pays farmers to retire cropland and put it to conservation uses (such as tree cover).

The House also agreed by a 267-151 roll-call vote to a committee amendment permitting the Secretary of Agriculture to exempt deficit feed grains areas (which consume more than they produce) from having to cut acreage below the 1959-60 level. Such farmers, however, would not have been eligible for price supports.

In addition to the proposed permanent supply management controls for wheat and feed grains, HR 11222 contained one other commodity program -- incentive payments to dairy farmers who voluntarily reduced their sales of milk and dairy products. The bill also contained: a long-range program of cropland retirement under which the Government would assist farmers through payments and loans to retire land and develop recreation and conservation facilities, such as lakes, picnic areas and hunting reserves, as alternative sources of revenue; authority for the Government to buy crops not in the inventories of the Commodity Credit Corporation for donation to needy foreign countries under the Food for Peace program of economic assistance; and authority

to expand long-term credit sales of surplus commodities in CCC stocks to foreign countries through private trade channels.

However, the controversy over the bill centered on the permanent controls programs, which would have offered farmers a choice in a referendum between supply-management controls and a free market in any year. (Two-thirds of those voting would be required to effectuate controls.)

In an avowed effort to attract enough votes to pass HR 11222, the floor manager of the bill, Harold D. Cooley (D N.C.), accepted a number of amendments designed to liberalize controls on feed grains, and to offer sliding supports between 50 percent of parity and zero in any year farmers rejected controls in a referendum. The amendments generally brought the controls in line with those in the farm bill passed by the Senate May 25. (Weekly Report p. 922)

Republicans charged that the bill was being "written on the floor," then offered a steady stream of amendments in an effort to gut or cripple the commodity programs. Shortly before recommitment a Robert P. Griffin (R Mich.) amendment to require that employees of the Department of Agriculture must never outnumber farmers in the United States was accepted by voice vote, then rejected by a 171-230 standing vote hastily ordered by Democratic leaders.

BACKGROUND -- HR 11222 was reported May 16 by the Agriculture Committee by a vote of 18-17. (Weekly Report p. 884) The final vote was postponed three times before Cooley was able to muster a majority for approval.

Floor debate was originally scheduled to begin June 12. However, House leaders June 11 postponed the debate in order to round up more votes. Secretary of Agriculture Orville L. Freeman said June 11 that the outcome might turn on a single vote. He added that the American Farm Bureau Federation "and certain segments of the cattle industry" were using "concentrated pressure, big money, resources and intimidation" to defeat the bill. Freeman personally visited more than 50 Congressmen to ask for their votes, prior to June 21.

(The Farm Bureau is generally opposed to strict controls, favoring a return to a free market for agriculture. Livestock growers feared that the bill would raise the cost of feed grains and consequently of livestock and might lead to controls on the livestock industry.)

The House Republican Policy Committee June 12 announced it was "unalterably opposed" to HR 11222, which it termed "extremely bad legislation."

The House Governmental Operations Subcommittee on Intergovernmental Relations, investigating the Billie Sol Estes case (see p. 1068), revealed June 15 that a letter written in late 1961 by Martin Sorkin, a consultant to Commercial Solvents Co. and former employee of the Department of Agriculture under Republican Secretary Ezra Taft Benson (1953-1961), said that a Republican strategy meeting on farm legislation had decided that "it was not the responsibility of the Republican party to offer alternatives but to attack the Administration whenever feasible." According to the letter, Sen. Barry Goldwater

(Continued on p. 1079)

Floor Action - 2

HOUSE APPROVES NEW QUOTAS, EXTENDS SUGAR ACT

The House June 19 passed by a 319-72 roll-call vote and sent to the Senate a bill (HR 12154) extending the expiring Sugar Act through 1966, and setting new quotas for domestic and foreign sugar producing areas. (For voting, see chart p. 1080)

HR 12154 was a committee bill, differing widely from Administration requests in its provisions for obtaining sugar from foreign countries. The Administration had recommended gradual elimination of country-by-country quotas (and the premium prices paid to producers in quota countries), and replacement by a global quota under which producers in friendly nations could bid for a share in the U.S. market. The sugar was to be bought at the lowest price available. HR 12154, by contrast, set quotas for more countries than in the current Act (see chart p. 1052) and continued the premium rate of payments. Harold D. Cooley (D N.C.), chairman of the House Agriculture Committee which reported the bill, said during debate June 18 that the Committee was better qualified to allocate foreign quotas than was the State Department, which "would be primarily interested in foreign policy."

HR 12154 was debated June 18 under a semi-closed rule (H Res 691) granted on the same day by the House Rules Committee -- swift action resented by some Representatives. A motion to consider the rule was agreed to on a 262-32 roll call. The rule permitted two amendments to be offered to the bill: one -- sponsored by Thomas G. Abernethy (D Miss.) -- would have required the Secretary of Agriculture to set a national sugar quota based on a minimum per capita consumption of 100 pounds of sugar; the other -- sponsored by Bob Dole (R Kan.) -- proposed to eliminate special payments to the Dominican Republic authorized in the bill. Both amendments subsequently were rejected.

Before passing the bill the House rejected a motion by Dole to recommit the bill to the Agriculture Committee with instructions to strike the provision authorizing payment of \$22,755,153.67 to the Dominican Republic. This was the amount of import fees imposed by the Executive Branch in 1960-61 on imports of "non-quota" Dominican sugar -- sugar authorized to enter the United States under the Cuban quota but assigned to other countries on a year-to-year basis pending resumption of friendly relations with Cuba. The roll-call vote of 174-222 closely followed party lines, with a majority of Democrats voting against the Dole motion.

In debate on the Dole amendment, Cooley said that failure to pay the money might lead to the collapse of the Dominican government or expropriation of U.S. property. Dole responded that Congress should not intervene in a case which was before the courts. He said that the Government-owned Dominican Sugar Co. and the American-owned South Puerto Rico Sugar Co. were suing the United States for return of the fees, and that the Justice Department planned to contest the suit. Paul C. Jones (D Mo.) said that the State Department had "indicated it is going to give \$22 million in aid" in any event.

Albert H. Quie (R Minn.) said the Republican leadership had turned down his plan to offer, in a recomittal motion, a substitute bill representing a compromise between the Administration bill and HR 12154, including a modified version of the Administration's global quota scheme.

Two other objections raised against HR 12154 were that it did not afford domestic sugar producers -- particularly beet sugar producers -- a large enough share of the market, and that the supply-management features of the Act kept prices artificially high by "rigging" the market.

Delbert L. Latta (R Ohio) said that the quota assigned to domestic beet areas -- 2,650,000 short tons -- could lead to acreage controls on the 1963 crop, because current beet production was approximately 2.8 million tons. (Under the expiring Act domestic beet areas were making up deficits caused by the inability of the domestic offshore cane areas -- Hawaii, Puerto Rico and the Virgin Islands -- to fill their quotas.) Latta added that the 50,000 tons which HR 12154 set aside for new growers was a "relatively small" reserve.

Background

U.S. sugar legislation is based on the Sugar Act of 1948, which was revised and extended in 1951, 1956, 1960 and 1961. In 1960 Congress authorized the President to suspend the Cuban sugar quota, and to redistribute it as "non-quota" sugar to countries which were capable of supplying a part of it. It extended the Sugar Act for three months, through March, 1961. In 1961 hurried Congressional action resulted in a 15-month temporary extension, through June 1962. (1961 Almanac p. 208)

In his budget recommendations for fiscal 1963 President Kennedy Jan. 18 asked Congress to enact a revision of the Sugar Act which would permit the Government to impose a variable sugar import fee equal to the difference between the domestic market price for raw sugar and the lower, world market price. This would have the effect of "withdrawing" from foreign sugar producers privileged to sell to the U.S. market the amount above the world market price -- called the premium -- which they currently received.

Following the President's request, Administration spokesmen said that country-by-country sugar quotas could be dropped once the import fee was imposed (removing the incentive to obtain a guaranteed share of the U.S. sugar market), and a "global quota" installed under which any friendly country could supply sugar at the prevailing world market price.

According to State Department officials the "global quota" would have a beneficial effect on the world market price of sugar -- which was abnormally low during the last quarter of 1961 and the first quarter of 1962 -- by discouraging the uneconomical production of sugar. (They said some countries had expanded their production in order to qualify for a share of the Cuban quota.) In addition, they said that the "global quota" would be in line with the Administration foreign economic policy of doing away with economic "zones of influence" in the free world. Finally, they said, the "global quota" would relieve the United States of having to decide which countries to give quotas to.

Administration officials added that the receipts from the variable import fee would be used to finance economic aid to Latin American countries. (For Fact Sheet on sugar legislation, see Weekly Report p. 800)

The Administration's sugar bill (HR 11730) was introduced by Cooley May 14. (Weekly Report p. 858)

It proposed to retain quotas for all 11 countries which currently have them, but to introduce the import fee over a five-year period. All sugar brought into the country to replace Cuban sugar (called "non-quota" sugar) would become immediately subject to the full fee, however. The Philippine quota was exempted from the import fee. In addition, the Administration bill proposed to increase the share of the total market enjoyed by domestic sugar producers.

The House Agriculture Committee June 15 reported HR 12154, (H Rept 1829) by a vote of 28-5. Cooley had introduced the bill on the same day. (The Committee had held hearings on the Sugar Act May 15-25 -- Weekly Report p. 937) Although the Committee adopted Administration recommendations respecting the quotas for domestic producers -- reached after months of negotiation with the domestic industry -- it completely abandoned the proposed import fee. In addition, it granted quotas to 15 new countries (see chart).

The Committee also reduced the quota reserved for Cuba from the 2.5 million tons proposed by the Administration to 1.5 million tons (under the expiring law, the Cuban quota was approximately 3 million tons), and reserved the right to decide each year which countries would receive "non-quota" allocations of this sugar, pending resumption of diplomatic relations with Cuba. The report said that "in making the temporary allocations after 1963 to other nations...the Congress will...take into consideration" purchases of agricultural commodities from the United States. The Committee recommended extending the Sugar Act through 1966.

The Committee adopted two other major amendments: One, introduced by Charles B. Hoeven (R Iowa), authorized the President to suspend the quota of any country which nationalized or expropriated American-owned property and did not make appropriate compensation within six months.

The other, introduced by W.R. Poage (D Texas), vice chairman of the Committee, authorized the President to suspend the quota of any country which denied a fair share of its quota to American-owned sugar companies producing in such countries.

(On Feb. 16, 1962 the Brazilian state of Rio Grande do Sul expropriated property belonging to the International Telephone and Telegraph Co., an American corporation, culminating a long-standing disagreement between the state and the company over rates and franchise. To date, no settlement has been made. Both the Senate and House foreign aid authorization bills contain a clause authorizing the President to suspend aid to countries expropriating American property without making adequate compensation within six months. Weekly Report p. 1009)

The Committee voted against permitting importation of any of the 375,000 tons of refined sugar which had formerly been included in the Cuban quota. The Administration had proposed to allow entry of 250,000 tons.

Dominican Claim

The Committee rejected 10-22 a motion by Paul Findley (R Ill.) to strike from the bill Section 18, inserted by Cooley, which authorized payment to the government of the Dominican Republic of \$22,755,153.67. The amount was intended to restore to the Dominican government and to two private sugar companies, the American-owned South Puerto Rico Sugar Co. and the Dominican-owned

Porcella Vicini Co., fees collected by the U.S. Government between September 1960 and the end of March, 1961 on "non-quota" sugar imported from the Dominican Republic. The import fee had been assessed in cooperation with action taken by the Organization of American States against the regime of Dominican dictator Raphael Leonidas Trujillo y Molina. However, no fee was charged against Dominican sugar entering under regular quota. The "non-quota" sugar had been assigned to the Dominican Republic under a formula for redistributing the Cuban quota which was laid down by Congress in 1960. (In March 1961 Congress authorized a complete embargo on imports of Dominican sugar. Trujillo was assassinated in May 1961. Following resumption of diplomatic relations with the new government, the Administration lifted restrictions against imports of Dominican sugar in January.)

The Committee report said that the money would go to the Dominican government, which would return to the South Puerto Rico Sugar Co. \$6.8 million in Dominican currency and approximately \$1 million to the other private company, on condition that they use the money (after taxes) in accordance with the objectives of the Alliance for Progress, by distributing part of the profit to small farmers and by using the rest for social and economic programs, such as housing and roads. The report said that the Dominican government would use the balance "for the benefit of the Dominican people." Finally, it said, the South Puerto Rico Sugar Co. and the Dominican government-owned firms currently seeking return of the fees through the U.S. Court of Claims would abandon their suits. The amendment was requested by the attorney for the U.S.-owned firm.

In additional minority views attached to the report, Rep. Bob Dole (R Kan.) said that the Department of Agriculture had written him that the fees were legally imposed, and that the Department of Justice had written that it intended to offer a defense against the claims. Dole said, "There is no apparent legal justification why Congress should preempt the Executive and Judicial Branches of Government in this instance."

Before approving HR 12154 the Committee rejected by voice vote a substitute bill, offered by Albert H. Quie (R Minn.), which would have set the Cuban quota at 2 million tons and authorized entry of a similar amount of "non-quota" sugar under the import fee proposed by the Administration, but only from countries agreeing to buy surplus U.S. farm commodities in exchange. The remaining amounts of the old Cuban quota (approximately one million tons) was to be distributed to Western Hemisphere countries. No import fee was to be charged against sugar entering under country quotas. Quie outlined his proposal in opposing views attached to the report. He said that HR 12154 denied "flexibility in administration of the Sugar Act" and prohibited the President from "exercising his responsibilities in our foreign policy."

Five other Republican members of the Committee filed separate views on HR 12154: Findley, Delbert L. Latta (Ohio), Don L. Short (N.D.), Catherine May (Wash.) and Ralph Beermann (Neb.). Except for Findley, who opposed the whole supply-management framework of the Sugar Act, the others said that domestic growers should have been granted larger quotas and that foreign quotas should have been tied to agreements to buy U.S. farm products. Mrs. May and Short opposed assigning deficits of domestic areas to foreign countries and favored assigning them to other domestic areas, as under the current

Floor Action - 4

Domestic Sugar Quotas

Postulating a total U.S. annual requirement of 9.7 million short tons of raw value sugar (the amount of sugar currently estimated by the Department of Agriculture as necessary to fulfill domestic needs while maintaining stable prices), domestic sugar growing areas were permitted to supply 5,186,500 short tons (53.5 percent) under the expiring law. HR 12154 would increase this to 5,810,000 short tons (59.89 percent) divided as follows:

Area	Expiring Law	HR 12154
Mainland beet sugar	2,110,627	2,650,000
Mainland cane	649,460	895,000
Hawaii	1,177,936	1,110,000
Puerto Rico	1,231,682	1,140,000
Virgin Islands	16,795	15,000
TOTAL	5,186,500	5,810,000

(While the mainland quotas were increased, the offshore area quotas, which had proved to be too large under the expiring Act, were decreased.)

Domestic producers would also receive 63 percent of increased consumption above the proposed base figure of 9.7 million short tons, which would be prorated only to the mainland cane and beet sugar areas. However, if an offshore domestic area produced more than its quota, the area's quota in the next year would be increased -- at the expense of the quotas for foreign countries except the Philippines -- but to a level no higher than was in effect immediately prior to enactment of HR 12154.

Foreign Sugar Quotas

Under HR 12154, the foreign quotas would be calculated as follows: First the Philippines would be assigned a quota of 1,050,000 short tons (but no percentage of market growth). Then Canada, the United Kingdom, Belgium and Hong Kong would be assigned a total of 1,332 tons (but no growth). The total of these allocations, plus the total amount assigned to domestic producers, would be subtracted from the total U.S. sugar requirements. The remainder would be purchased from other foreign countries according to the formula provided in HR 12154.

The following chart gives the percentage assigned under HR 12154 to each of these countries and the amount of each quota at 9.7 million tons, compared to the amount proposed by the Administration and the amount in the expiring law (in short tons, raw value). Countries which received allocations of non-quota sugar in the distribution of the Cuban quota in 1961 and 1962 are marked by an asterisk (*). (One such country -- Ireland -- did not receive a quota under HR 12154.) Countries which would receive a share of the U.S. sugar market for the first time are underlined.

Country	HR 12154		Adminis- tration bill	Expiring Law
	Percent	Tonnage		
Philippines*	--	1,050,000	980,000	980,000
Cuba ¹	52.8%	1,500,000	2,584,277	3,208,425
Peru*	7.04	200,000	108,490	108,517
Dominican Republic*	7.04	200,000	96,274	96,307
Mexico*	7.04	200,000	79,986	80,109
Brazil*	6.69	190,000	----	----
British West Indies*	3.52	100,000	----	----
Australia*	1.76	50,000	----	----
Formosa*	1.58	45,000	4,072	3,802
French West Indies*	1.41	40,000	----	----
Colombia*	1.23	35,000	----	----
Nicaragua*	1.06	30,000	15,706	15,749
Costa Rica*	1.06	30,000	4,072	3,792
India*	1.06	30,000	----	----
Ecuador*	1.06	30,000	----	----
Haiti*	0.88	25,000	7,562	7,641
Guatemala*	0.70	20,000	----	----
Argentina	0.70	20,000	----	----
<u>South Africa</u>	0.70	20,000	----	----
<u>Panama*</u>	0.53	15,000	4,072	3,802
El Salvador*	0.35	10,000	----	----
Paraguay*	0.35	10,000	----	----
<u>British Honduras</u>	0.35	10,000	----	----
<u>Fiji Islands*</u>	0.35	10,000	----	----
Netherlands*	0.35	10,000	4,072	3,940
<u>Mauritius</u>	0.35	10,000	----	----
Canada	--	631	631	631
United Kingdom	--	516	516	516
Belgium	--	182	182	182
Hong Kong	--	3	3	3
British Guiana	2	2	84	84

¹ When the Cuban quota is suspended by the President, a like amount is allocated as "non-quota" sugar to specified countries.
² Included in total for British West Indies.

Non-quota sugar. Under HR 12154, the Cuban quota would be redistributed as non-quota sugar to the following countries:

Country	Percent	Amount
Philippines*	10. %	150,000 short tons
Peru*	10.	150,000
Dominican Republic*	10.	150,000
Mexico*	10.	150,000
Brazil*	10.	150,000
British West Indies*	10.	150,000
Australia*	10.	150,000
Formosa*	10.	150,000
India*	6.67	100,000
South Africa	6.67	100,000
Mauritius	6.66	100,000

(Countries which formerly received non-quota allocations are starred.)

Act. Beermann urged that the penalty for expropriation of American property be made retroactive to January.

The House Rules Committee June 18 granted a closed rule that, however, allowed two amendments to be offered to HR 12154. The Committee refused to let the Que proposal be offered on the floor.

PROVISIONS -- As passed by the House, HR 12154, the Sugar Act Amendments of 1962:

Extended the Sugar Act through Dec. 31, 1966.

Provided a new formula for determining the price level of sugar in the United States, under which the Secretary of Agriculture would set the sugar requirements of the nation at a level which would yield a relationship between the price for sugar and the parity index comparable to the relationship that prevailed in 1957-1959. (The parity index shows the relationship between prices paid for farm and non-farm goods.)

Set new quotas for domestic sugar producing areas, the Philippines and other foreign areas. (See chart.)

Authorized the President to suspend the quota of any country with which the United States had broken off diplomatic relations, and provided a formula for redistributing such quotas through 1963. (See chart of "non-quota" sugar)

Provided that if a country could not fill its non-quota allocation the deficit would be prorated to the other authorized countries first, or if necessary, to any foreign country.

Required that all "non-quota" sugar be imported in raw form, unless it were not "reasonably available."

Required the Secretary of Agriculture to reduce the quota of any country, with a quota or non-quota allocation of more than 10,000 tons, which failed to meet its quota by more than 10 percent during a year in which the world price for sugar at any time exceeded the domestic price, unless he determined that the failure was due to crop disaster or force majeure, or that the reduction would be contrary to the objectives of the Act (to maintain a steady supply of sugar at stable prices). The reduction would equal the amount of the country's deficit.

Prohibited imports of sugar from countries which themselves imported more sugar than they exported to countries other than the United States and required quotas to be filled with locally grown sugar.

Provided that deficits caused by the inability of any area to fill its quota be proportionately divided between the Philippines and other foreign quota holding countries, and provided a formula for obtaining the sugar if such countries were unable to supply it.

Made the sugar content of any product or mixture that did not have a history of importation during three years between 1955 and 1960 subject to the quota restrictions of the Act, at the discretion of the Secretary.

Established formulas governing the amount of refined sugar which could be imported from Hawaii and Puerto Rico, and permitted import of 56,000 tons of refined sugar under the Philippine quota annually.

Eliminated the provision in the current Cuban quota allowing entry of 375,000 tons of refined sugar.

Established a formula governing entry of refined sugar from other foreign countries, limited to those with quotas of 20,000 tons or less.

Established a new quota for liquid sugar (molasses) imported from foreign countries.

Prohibited imports into the Virgin Islands of any sugar not produced on U.S. territory.

Authorized the Secretary of Agriculture, when determining proportionate shares for sugarbeet or sugarcane farms (for any year in which he determined it necessary to hold down production), to take into account past production and the capacity of the farm, or the farmer's production history, except in states where the history was not used prior to 1962 for establishing proportionate shares.

Required the Secretary to set aside each year from the national sugarbeet requirement the acreage (about 20,000 acres) required to produce 50,000 tons of sugar. The reserve would be distributed to "new and small producers" in order to provide acreage for "growth and expansion of the beet sugar industry." (The reserve would be distributed among new growers in old areas, new growers in new areas, and old growers in areas which did not have enough acreage to support a processing plant.)

Gave the President discretion to suspend the quota of any country which divided its quota so as to discriminate against U.S. citizens.

Required the President, unless he determined it inconsistent with the national interest, to suspend the quota of any country which expropriated, nationalized or seized control of property belonging to United States citizens, or which imposed on U.S. property or citizens discriminatory taxes or restrictive maintenance or operational conditions, and which had not taken "appropriate" steps to redress its action.

Required the President to pay to the Dominican Republic a sum equal to the fees collected on non-quota sugar purchased from the Dominican Republic between Sept. 26, 1960 and March 31, 1961, provided that claims against the Government for the amounts were dropped, and provided the private firms involved agreed to use the funds to "further the economic or social development of the Dominican Republic."

AMENDMENTS REJECTED

June 18 -- Thomas G. Abernethy (D Miss.) -- Require the Secretary of Agriculture to set a minimum national sugar quota equal to 100 pounds of sugar per capita plus normal carryover stocks. Voice vote.

Bob Dole (R Kan.) -- Delete the requirement to restore to the Dominican Republic fees collected on non-quota Dominican sugar that entered the U.S. between Sept. 26, 1960 and March 31, 1961. Standing, 74-92; teller, 77-95.

TEXTILE IMPORTS

The Senate and the House June 14 by voice votes agreed to the conference report on a bill (HR 10788 -- H Rept 1817) extending the President's authority to regulate imports of textiles and agricultural products.

As signed into law (PL 87-488) June 19, HR 10788 amended Section 204 of the 1956 Agricultural Act, which authorized the President to negotiate agreements with foreign governments regulating trade in such commodities. The new grant of authority permitted the President, whenever a multilateral agreement existed between the United States and countries "accounting for a significant part of world trade" in given commodities, to regulate imports of the commodities from countries which were not party to the agreement.

BACKGROUND -- HR 10788, an Administration bill, was designed to close loopholes in an international agreement reached Feb. 9 at Geneva, Switzerland, by 19 nations representing 90 percent of free world trade in cotton textiles. Under the terms of the agreement the United States could "freeze" the imports of any country at a certain level, and then allow small annual increases. (Under a similar interim agreement concluded in 1961, the United States had obtained voluntary restraint on exports to the United States from Spain and Japan, and had acted to restrict excessive imports from Hong Kong.) The bill had strong backing from cotton textile interests. (For background of the cotton textile agreement, see Weekly Report p. 279.)

HR 10788 passed the House April 11 by a 312-80 vote and the Senate May 17 by an 80-3 vote. Critics of the bill charged that it was "special interest legislation" and part of a "deal" to gain support for Administration trade and tax measures. Prior to passage, both the Senate and the House rejected amendments which would

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have required the President to negotiate agreements restricting imports of meats -- particularly lamb -- before enforcing provisions of the cotton textile agreement. However, the Senate adopted an amendment to authorize the President to take steps to similarly limit imports of livestock, poultry, dairy and timber products "when in his judgment such imports seriously affect domestic producers."

The conference report on HR 10788 was issued June 12. The House managers said that the conference had rejected the Senate amendment because "the conferees did not want to interfere in any way with the textile negotiations conducted under Section 204." They held that the President already had ample authority under Section 204 to undertake any necessary steps to protect meat, dairy and timber products and urged him to assist any such commodity adversely affected by imports.

The conferees also dropped a Senate amendment which required that action taken under the bill be consistent with Trade Agreements Acts policy, because the proviso "would appear to create an indefinite rule and its effects could not be foreseen."

SMALL BUSINESS LOANS

The Senate June 14 passed by voice vote and sent to the House an amended bill (S 2970) to increase by \$250 million the authorization for the Small Business Administration's revolving fund. The new authorization would be \$1,450,000,000. The Senate rejected an amendment by William Proxmire (D Wis.) to reduce the increase by \$24 million and adopted an amendment by Leverett Saltonstall (R Mass.) to require the SBA to report to Congressional committees expenditures in excess of specific amounts.

S 2970 combined in a single revolving fund SBA's disaster loan authority and its regular business loan and prime contracting authority which were merged in 1961. The new combined fund would have an authorization of \$1,109,000,000 for loans outstanding. The bill also made a \$16 million increase, to \$341 million, in the authorization for the Small Business Investment Corporation (SBIC) programs under the Small Business Investment Act of 1958. Total SBA authorizations thus would be \$1,450,000,000.

The bill also changed the method of computing interest that the SBA pays the Treasury for funds advanced for its lending programs. This and other technical changes were supported by both agencies.

Pooling of regular business and disaster loans was intended to increase the flexibility of the SBA. The disaster fund has seldom been fully used while the demand for regular loans often has exceeded the authorization. Saltonstall said his amendment for Congressional review of expenditures would prevent possible depletion of funds available for disaster loans.

Most of the debate on the bill was directed to the amendment by Sen. Proxmire to reduce the \$250 million increase proposed by the Senate Banking and Currency Committee. Proxmire, chairman of the Committee's Small Business Subcommittee, said the Senate should "take a look at the way the SBA is operating and the way it has expanded." Since 1959 the regular loan program had expanded from \$290 million to \$735 million. He estimated that \$2.5 billion would be required by the end of 1967 for regular and SBIC loans. "Only approximately 25,000 of the 4 1/2 million small businesses in America have ever received a small business loan," he said, and

many loans were being made in areas where ample banking facilities exist. The Senator also argued that much of the loan money was allotted to a few big loans, that some 40 percent of the loans were not to expand business but to refinance existing debts and that many loans were for enterprises that contribute little to growth and employment, such as bowling alleys and motels.

In support of the higher authorization, Sen. John J. Sparkman (D Ala.), chairman of the Select Committee on Small Business, said the Proxmire amendment was "a shortsighted approach to the problem which has plagued the Small Business Administration in recent years." The SBA has been in "an awkward situation" when demands on its loan funds unexpectedly increased, he said. The SBA must first obtain an authorization and then an appropriation of more funds, thus requiring time-consuming justifications before four committees. The recommended increase, he said, provided a "cushion against emergency demands upon the SBA" but would not necessarily be appropriated in a lump sum.

AMENDMENT ACCEPTED

June 14 -- Leverett Saltonstall (R Mass.) -- Require the SBA to report promptly to the Appropriations and Banking and Currency Committees of both houses whenever the aggregate amount outstanding on regular business and prime contract loans exceeds \$1,012,200,000 and on disaster loans exceeds \$96,800,000. Voice vote.

AMENDMENT REJECTED

June 14 -- William Proxmire (D Wis.) -- Reduce by \$24,000,000 the total authorization ceiling for loans by the SBA. Voice vote.

BACKGROUND -- President Kennedy and the SBA originally requested that the ceiling on loan authorizations be removed entirely. Hearings on S 2970 were held April 12 by the Subcommittee on Small Business of the Committee on Banking and Currency and the bill was reported (S Rept 1542) June 5. (For a summary of last year's action on the SBA, see 1961 Almanac p. 487)

The House Banking and Currency Committee June 16 reported a bill (HR 12121 -- H Rept 1830) dealing with the SBA authorization that was considerably different than the Senate version. The bill would increase the over-all authorization ceiling to \$2.6 billion and empower the SBA to make loans to firms injured by imports as provided in the Trade Expansion Act of 1962 (HR 11970), currently pending before the House. (Weekly Report p. 1028) In addition, the bill would consolidate the loan ceiling for regular business and prime contracts (already merged in 1961 legislation) with the ceiling for the SBICs established under the Small Business Investment Act of 1958. The fund for disaster loans would remain separate but would be increased from \$150 million to \$160 million.

The import injury fund would be financed by annual appropriations but not by additions to the revolving fund. The bill expressly provided that "this authority is in addition to and separate from its (SBA's) authority to make loans under the Small Business Act." The SBA could make loans with maturities up to 25 years to firms of all sizes and without restriction on amount.

The substantially larger \$2.6 billion ceiling of the House bill resulted from the Committee's desire to place the SBA authorization on more than a year-to-year basis. Increased SBA lending plus the necessity in recent years for annual expansion of loan authorization for the revolving fund prompted the Committee to recommend a figure "sufficient on the basis of current SBA projected estimates to last through June 1966."

COMMUNICATIONS SATELLITES

The Senate June 14 began debate on a bill (HR 11040) to provide for the establishment, ownership and operation of a commercial communications satellite system. The bill, passed May 3 by the House, embodied President Kennedy's proposals for a privately owned corporation. In addition, it contained committee amendments to strengthen the regulatory provisions of the bill. (Weekly Report p. 1027)

As debate on the bill opened, Democratic opponents pursued their fight against private ownership of the system. It was defended by Sen. John O. Pastore (D R.I.), floor manager of the bill, who said "the whole operation involving communications in the United States is a private enterprise."

The lead-off opposition speaker, Russell B. Long (D La.), charged that the bill had been "drawn on the basis of...premature pressure, which for the most part had emanated from...the American Telephone and Telegraph Co..." He said June 18 that "we have been subjected to lobbying the like of which the Congress has not seen recently" and passage of the bill would result in a give-away to AT&T.

Long said domination of the system by AT&T would preclude competition from other companies and might prevent development of the most efficient system. He said it "might easily be to the advantage of AT&T to place into orbit a low altitude system which would prove to be impracticable and could become obsolete even before it went into full operation." He said AT&T was "not anxious to see the synchronous system go into operation," and it would be "to the immediate profit advantage" of AT&T to "see to it that the system did not make money for years to come." (For description of proposed systems, see Weekly Report p. 752)

Long said he was "not opposed to private ownership, eventually, of a communications satellite system," but was against "giving a satellite system or the right to establish one to any particular corporation before we know what we are doing, before we have it, and before we are in a position to assure ourselves that maximum competition for the benefit of the public will be available."

Pastore said the legislation had been "tightened...up so much to protect the public interest that the FCC will have the right to scrutinize every charge that is made," and to supervise competitive bidding for building terminal stations. He said AT&T would not dominate the corporation unless the FCC allowed it to do so. Long replied that the FCC said "that in 24 years it has never been able to state what the rate base is" for AT&T or whether or not it was reasonable.

Answering charges that the leadership was trying to rush the bill through Congress, Pastore said June 19 it would be "a terrible thing to postpone this bill until next year." Other nations were working to put communications satellites into orbit, and "the big question is, who will get there first?" He warned that "there are only so many frequencies available for use in space, and if a country should preempt those frequencies before we do, we will be in a very unfortunate position."

Pastore invited opponents of the bill, who included Estes Kefauver (D Tenn.) and Ralph W. Yarborough (D Texas), to take their case to the White House. "It's the President's bill, not mine," he said. Long said the President should submit a new bill for a truly competitive private system.

ALL-CHANNEL TELEVISION SETS

The Senate June 14 passed by voice vote a bill (HR 8031) authorizing the Federal Communications Commission to require television set manufacturers to equip all sets for sale in interstate commerce to receive the 70 ultra high frequency (UHF) channels in addition to the 12 very high frequency (VHF) channels most sets now pick up. The bill was returned to the House for action on a Senate committee amendment stipulating that all sets must be capable of "adequately receiving all channels" instead of just "receiving all channels" as under the House bill. It was estimated that all-channel sets, when mass produced, would cost approximately \$20 more than the current price of VHF-only sets.

Before passage of the bill Minority Leader Everett McKinley Dirksen (R Ill.) offered an amendment to prohibit the FCC from instituting deintermixture proceedings without Congressional consent. (Under deintermixture proceedings the Commission deletes the VHF channel in an area which can receive only one VHF channel but many UHF channels. The aim is to increase the number of television stations -- the same object as HR 8031. See Fact Sheet, Weekly Report p. 667) Dirksen withdrew the amendment on the assurance of Sen. John O. Pastore (D R.I.) that the Commission would notify Congress before it took any further deintermixture action but found such an amendment "a little too restrictive."

BACKGROUND -- HR 8031 was reported (S Rept 1526) May 24 by the Senate Commerce Committee. It was passed by the House May 2 on a 279-90 roll call-vote. (Weekly Report p. 935)

EQUAL PAY ACT

The House June 15 postponed, for an indefinite period, action on a bill (HR 11677) to require companies engaged in interstate commerce and employing more than 25 persons to pay equal wages to men and women doing comparable work. A rule for debate on the bill was adopted by voice vote June 14 but the Democratic leadership June 15 called off scheduled debate when it learned that Republicans proposed to call up 10 or more amendments to the bill.

Rep. Herbert Zelenko (D N.Y.), floor manager of the bill, said he wanted to study the amendments before proceeding with the bill but he opposed suggestions that the bill be recommitted for further study.

HR 11677 was reported (H Rept 1714) May 17 by the Education and Labor Committee. (Weekly Report p. 881)

In brief debate on the rule June 14, Rep. Katharine St. George (R N.Y.) said, "I do not see how anyone would dare be against (the bill). It would be like being against motherhood." She and several other Congresswomen expressed hope that enactment of the bill would stimulate adoption of a constitutional amendment guaranteeing equal rights to women.

Rep. Phil M. Landrum (D Ga.), however, said the bill was "disguised in a lot of sweet-scented kimonos, with a lot of tricks and...pitfalls in it that can wreak havoc with women in employment and can work untold harassment on the employers of this country." He said it would nullify 22 states' equal pay laws and, by its grants of discretionary authority, make a "czar" of the Secretary of Labor.

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SENATE RULE AMENDED

The Senate June 14 by voice vote adopted a resolution (S Res 37) amending Senate Rule XIX to require that the presiding officer must rule on whether one Senator has spoken disparagingly about another during the course of Senate debate and must therefore take his seat. The ruling would be subject to appeal by either Senator. Under the former Rule XIX, a Senator who felt he had been spoken of disparagingly could raise a point of order and require that the speaker take his seat without any ruling by the chair or the Senate.

There was no debate on the change in the rule, which was sponsored by Sen. Joseph S. Clark (D Pa.). However, at a June 16, 1961 hearing by the Senate Rules and Administration Committee's Subcommittee on Standing Rules of the Senate, Clark said the existing rule had "become a deterrent to frank and free debate" and was frequently abused. The Rules and Administration Committee favorably reported S Res 37 May 23, 1962 (S Rept 1521).

This was one of nine rules changes sponsored by Clark. The other eight were reported unfavorably May 23, 1962 by the Subcommittee, and the full Committee the same day accepted the Subcommittee's recommendations. Clark's other proposals were:

S Res 9 -- Require that a majority of Senate conferees on a bill must have voted in favor of it and must concur with the majority of the Senate on provisions over which the House and Senate disagree.

S Res 10 -- Permit Committees to meet while the Senate is in session unless a majority of the Senate or the committee itself bars the committee from meeting. Under existing rules, unanimous consent is required to permit a committee meeting during a Senate session, and consequently the objection of one Senator can block a meeting.

S Res 12 -- Require a majority vote for a reading of the Journal of the previous day. Under existing rules, unanimous consent is required to dispense with the reading of the Journal. Although unanimous consent is almost always obtained, anyone desiring to delay Senate business can require the reading of the Journal.

S Res 13 -- Provide that while the Senate is considering any measure, any Senator may move that all further debate be germane to the subject under consideration and that if the motion is approved by the Senate, no irrelevant subjects may be brought up. Under existing rules, a Senator may obtain the floor during a debate on, say, foreign aid, and give a three-hour speech on a reclamation project in his state or any other matter he chooses.

S Res 14 -- Permit a majority of any committee to convene meetings of the committee, consider any matter within the jurisdiction of the committee, and end committee debate on a given measure by moving the previous question.

S Res 35 -- Permit a Senator to have his remarks printed in the Congressional Record in large type, whether or not he actually delivered them. Under existing rules, remarks not actually delivered are to be printed in smaller type. Clark June 14 said the rule should be changed because even under the existing rules a Senator could read only a few lines of a speech, but the entire speech would be printed in large type. "The way we administer the present rule is a fraud on the public," Clark said.

S Res 36 -- Provide that when any Senator had held the floor for more than three consecutive hours, a Senator could object to his continuing to hold the floor, and he would have to yield. "If one cannot make his argument in three hours, he has not an argument worth listening to," Clark said.

S Res 38 -- Write into Senate rules the customary three-minute limit on Senators' remarks during the "morning hour," the time set aside before the beginning of each legislative day for Senators to make brief remarks, place items in the Record, etc., but not for the consideration of legislation. Clark pointed out in testimony before the Subcommittee that the "morning hour" usually lasted two hours and that Senators frequently exceeded the three-minute limitation.

In a June 14 Senate speech outlining his proposals, Clark said he believed that "Congress has clung to outmoded customs and prerogatives which should have disappeared before World War I, and that became not only antiquated but dangerous with the advent of the atomic bomb.... Its machinery is cumbersome and its legislative structure old and creaky.... I suggest that there would be very little talk about Presidential grab for power or Supreme Court usurpation of power if Congress were on its toes and exercising its powers as the Founding Fathers expected the Legislative Branch of the Government to do."

MONETARY FUND LOAN

The Senate June 14 passed by voice vote and sent to the White House a bill (HR 10162) to authorize the United States to lend up to \$2 billion to the International Monetary Fund as part of a \$6 billion standby currency stabilization pool. The bill was approved without amendment as recommended by the Foreign Relations Committee. (Weekly Report p. 855) The House passed the bill April 2. (Weekly Report p. 542)

Discussion of the measure was limited to an explanation by Sen. J.W. Fulbright (D Ark.), chairman of the Foreign Relations Committee. The outstanding feature of the bill, Fulbright said, was that the U.S. would be the primary beneficiary of the proposal. "A member does not, of course, draw its own currency but the convertible currencies of other nations, for the purpose of bolstering reserves and increasing confidence in its monetary position," he said. Although the Fund held sufficient U.S. dollars and pounds sterling at the beginning of the year, it had rather low reserves of convertible European currencies which the U.S. would need if it used the Fund. Thus, acceptance of the plan would make available an additional \$3 billion of the kinds of currencies the U.S. might need, Fulbright said. He emphasized that the U.S. does not anticipate drawing on the Fund. He said also that it was "highly unlikely" the U.S. would have to contribute its \$2 billion pledge "in the foreseeable future." The pledge of money was necessary, he argued, because (1) benefits of the plan "will be confined to those nations which accept responsibility in terms of the loan schedule," (2) the other members would participate only on the basis of "strict reciprocity," (3) the U.S. had to show it was ready to help other participants if they developed balance-of-payment problems in the future. The participating nations are: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom and the U.S.



Around The Capitol

LABOR DISPUTES

The Kennedy Administration played an active role in three current labor-management disputes:

• **FLIGHT ENGINEERS** -- Secretary of Labor Arthur J. Goldberg June 21 announced that an agreement had been reached by Trans World Airlines and the Flight Engineers International Assn, ending a strike threat by the union. Goldberg had met with negotiators for the airlines and the flight engineer's union in nearly continuous session since June 18 in attempts to avert a strike. President Kennedy in his June 14 press conference urged the union not to strike and warned that a strike would "seriously damage" the economy. He pointed out that the Government had actively sought to help the union and airlines reach agreement for 17 months. (For text of press conference, see p. 1074)

The dispute involved the Flight Engineers union and three airlines: Trans World, Pan American World Airways and Eastern. The major issue revolved about a planned reduction in jet cockpit crews from four to three men. The Flight Engineers wanted the third man to be a flight engineer represented by their union; the Air Line Pilots Assn. wanted him to be a pilot (with a flight engineers' certificate) to be represented by their union. The Flight Engineers opposed any plan calling for a merger of the two unions. Goldberg said the June 21 agreement was obtained by "genuine collective bargaining" and assured the continued identity of the Flight Engineers Union. However, the Flight Engineers Pan Am and Eastern chapters the same day said the TWA agreement was unacceptable.

• **AMERICAN AIRLINES** -- President Kennedy June 20 created a Presidential emergency board under the Railway Labor Act to investigate a wage dispute between American Airlines and the Transport Workers Union. The Board will have 30 days to investigate and report its findings; a strike can not be called until 30 days after the report is issued.

• **REPUBLIC AVIATION** -- Federal District Judge Walter Bruchhausen June 20 ordered an 80 day injunction halting a strike against the Republic Aviation Corp. in Farmingdale, L.I. Attorney General Robert F. Kennedy in an affidavit filed with the court said the strike affected a substantial part of the nation's tactical fighter production industry and imperiled national safety.

COURT LABOR DECISIONS

The Supreme Court June 18 in a 5-3 decision ruled that federal courts do not have the power to halt strikes called in violation of no-strike provisions of collective-bargaining agreements. Justices William J. Brennan, William O. Douglas and John Marshall Harlan dissented.

The majority stated that provisions in the Norris-LaGuardia Act of 1932 were not repealed by the Taft-Hartley Act of 1947. Under the 1932 law, federal courts have no jurisdiction to issue injunctions "in any case involving or growing out of any labor dispute." Under the 1947 law, either party to a collective bargaining agree-

ment can sue in federal court over violations of contract. Unions can obtain orders to compel employers to abide by arbitration clauses and employers can collect damages from unions for violating no-strike clauses. (The current ruling in effect means that unions can be sued for damages if they strike in violation of no-strike agreements, but federal courts cannot issue injunctions against such strikes.)

Justice Brennan in dissent said the decision "deals a crippling blow to the cause of grievance arbitration."

In a separate decision, the court unanimously ruled that employers cannot collect damages from individual employees as agents for the union as well as from the union itself in suits filed for violation of no-strike agreements. Justice Byron R. White, in his first written opinion, pointed out that the Court was not ruling on whether individuals would be liable for damages if work stoppage was their own - and not the union's - doing.

ATOMIC TESTS

The United States June 20 failed for the second time within a month to detonate a high-altitude megaton-plus nuclear device as part of the current high atmosphere nuclear explosion test series. The destroyed device was to have provided new information about the Van Allen radiation belt and its association with radar and radio communications. (Weekly Report p. 827, 663)

The device was purposely destroyed following a malfunction of the missile. The previous megaton-plus high altitude test attempted June 4 was aborted when the missile tracking system failed to operate adequately. In both instances the debris fell into the Pacific Ocean. The Atomic Energy Commission said there was no danger to human life and no hazardous levels of radioactivity were established in the ocean.

During the current test series, begun April 25, the U.S. had successfully exploded 21 lower level devices.

MIGRANT WORKERS

Labor Secretary Arthur J. Goldberg in a June 15 letter to House Speaker John W. McCormack (D Mass.) urged House passage of five Senate-passed bills to aid U.S. migrant farm workers. He said the bills, which were endorsed Jan. 17 by President Kennedy, would "do much to improve the welfare of migratory farm workers and their families."

Two of the five bills (S 1123 and S 1126) have been reported by the House Education and Labor Committee and currently await House Rules Committee action. S 1123 would, except under certain circumstances, bar employment of children under 14 in agriculture; S 1126 would require federal registration and licensing of labor contractors who supply migrant workers to farmers. The remaining three bills -- to improve educational opportunities for migrants (S 1124) to improve health facilities for migrants (S 1130) and to set up an advisory council on migratory labor (S 1132) -- await House Committee action. (Weekly Report p. 882)

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RECESSION UNPREDICTED

Commissioner of Labor Statistics Ewan Clague June 19 in an Atlantic City speech said that historical economic trends suggest that another recession may occur in 1963. (Weekly Report p. 1014) The following day, after talking with Secretary of Labor Arthur J. Goldberg, Clague issued a statement saying that his remarks "should not be interpreted as predicting a possible recession in 1963. Rather I was explaining that historic trends, which show a downturn in the economy every three to three-and-one-half years, when projected, indicated an economic peak might be reached sometime in 1963 which might be followed by a business downturn. It does not follow, of course, that there will be a recession, and the basic economic situation at the present time shows no signs of such a downturn."

Clague was quoted in his speech, delivered in Atlantic City, as saying that a recession had been expected for next year even before the stock market fell. "The only question has been exactly when it is coming," he was quoted as saying.

CAPITOL BRIEFS

LABOR UNION ASSETS -- Labor Secretary Arthur J. Goldberg June 14 reported that U.S. labor unions had net assets of over \$1.3 billion. He said the wealthiest union was the International Brotherhood of Electrical Workers, with assets of \$111,311,000.

STATE DEPARTMENT SPEECHES -- Sen. Hubert H. Humphrey (D Minn.) June 15 suggested that State Department officials should "talk to the whole Senate and House from time to time." He said "everybody who wants to vote responsibly on foreign affairs, or be able to explain it intelligently, ought to have the opportunity to understand it fully."

ATLANTIC COMMUNITY -- A Congressionally-appointed citizens commission June 18 recommended a program to strengthen the Atlantic Community. Included in its recommendations were: creation of a permanent high council, establishment of a high court of justice, and development of the NATO Parliamentarians Conference into a consultative Atlantic Assembly "to review and debate questions of concern to the Atlantic Community."

STEVENSON DEFENDS UN-- UN Ambassador Adlai E. Stevenson June 19 defended the UN Charter provision which grants equal voting rights to all UN members. He said the greatest influence would always be exerted by "that great power whose basic purposes harmonize with the majority of members," regardless of voting rights. (House and Senate Republicans June 7 issued a statement proposing a change in the Charter "to reflect population disparities among member states and to recognize relative ability and willingness to meet the obligations of the Charter." See Weekly Report p. 984)

BALANCE OF PAYMENTS -- The Commerce Department June 20 reported the U.S. balance of payments deficit declined to an annual rate of \$1.9 billion in the first three months of 1962, representing a sharp improvement over the annual rate of \$5.6 billion recorded in the fourth quarter of 1961. (Weekly Report p. 838)

**What's Ahead?****Committee Hearings**

- June 25 -- AIR POLLUTION CONTROL PROGRAM (HR 10519), House Interstate and Foreign Commerce, Health and Safety Subc.
- June 26 -- PROTECTION OF THE GOLDEN EAGLE (S J Res 105), Senate Commerce, Special Subc.
- June 26 -- AIR AND RAIL TRANSPORTATION LEGISLATION (HR 11583 and HR 11584), House Interstate and Foreign Commerce.
- June 27 -- INVESTIGATION OF BILLIE SOL ESTES, Senate Government Operations, Permanent Subc. on Investigations.
- July 10 -- AMENDMENTS TO SECTION 315 OF THE FEDERAL COMMUNICATIONS ACT, Senate Commerce, Communications Subc.

Political Events

- June 26 -- IDAHO RUN-OFF PRIMARY.
- June 26 -- NORTH DAKOTA PRIMARY.
- June 30 -- REPUBLICAN POLICY MEETING, Gettysburg, Pa.
- July 13-14 -- CONNECTICUT DEMOCRATIC NOMINATING CONVENTION, Hartford.
- July 28 -- LOUISIANA PRIMARY.
- July 28 -- UTAH DEMOCRATIC STATE CONVENTION.
- July 31 -- ARKANSAS PRIMARY.

Other Events

- June 26-30 -- RESERVE OFFICER'S ASSN., 36th National Convention, Las Vegas, Nev.
- July 1-4 -- U.S. GOVERNORS CONFERENCE, Hotel Hershey, Hershey, Pa.
- July 9-17 -- MAINTENANCE OF WAY EMPLOYEES (AFL-CIO), annual convention, Netherland Hilton Hotel, Cincinnati, Ohio.
- July 9-13 -- MASTERS, MATES & PILOTS INTERNATIONAL ORGANIZATION (AFL-CIO), Annual convention, Cleveland, Ohio.
- July 17 -- STOVE MOUNTERS INTERNATIONAL UNION (AFL-CIO), annual convention, St. Louis, Mo.
- Aug. 16-22 -- AMERICAN BAKERY AND CONFECTIONERY WORKERS INTERNATIONAL UNION (AFL-CIO) -- annual convention, Washington, D.C.
- Aug. 19-25 -- DISABLED AMERICAN VETERANS -- annual convention, Atlantic City, N.J.
- Aug. 20 -- NATIONAL FEDERATION OF POST OFFICE MOTOR VEHICLE EMPLOYEES (AFL-CIO) -- national convention, Chicago, Ill.
- Aug. 20-23 -- NATIONAL ASSN. OF POST OFFICE AND GENERAL SERVICES MAINTENANCE EMPLOYEES, national convention, Washington, D.C.
- Aug. 23-25 -- NATIONAL POSTAL TRANSPORT ASSOCIATION (AFL-CIO) -- national convention, Chicago, Ill.
- Aug. 26-Sept. 1 -- NATIONAL ASSOCIATION OF LETTER CARRIERS (AFL-CIO) -- national convention, Denver, Colo.
- Sept. 3-7 -- AMERICAN FEDERATION OF GOVERNMENT (AFL-CIO) -- national convention, Olympic Hotel, Seattle, Wash.



'PREVENTIVE' WELFARE BILL MOVES TOWARD ENACTMENT

Little noticed in the 87th Congress amidst the controversy surrounding many key Administration proposals has been the quiet, uncontroversial progress of HR 10606, the Public Welfare Amendments of 1962. Yet HR 10606 is not an old and familiar proposal, but one designed by the Kennedy Administration to give new direction to federal welfare programs.

According to Health, Education and Welfare Secretary Abraham A. Ribicoff existing welfare programs, which were given their direction by the problems and laws of the 1930s, now concentrate too much on determining eligibility for welfare assistance or on doleing out funds for uncreative, subsistence living. HR 10606 is intended to meet new problems of the relief recipient of the 1960s by emphasizing prevention (for the first time funds are provided for services to prevent potential welfare clients from having to go on to welfare rolls) and rehabilitation.

HR 10606 was reported (H Rept 1414) March 10 by the House Ways and Means Committee and passed by the House March 15 on a 319-69 roll-call vote. (For complete provisions, see Weekly Report p. 427) It was reported (S Rept 1589) June 14 by the Senate Finance Committee, where it was approved after a two-day executive session, and should pass the Senate easily. In its progress through Congress the omnibus bill has lost only one important Administration provision and the one restrictive amendment adopted in the House was dropped by the Senate Committee.

This fact sheet discusses factors which led the Kennedy Administration to call for redirection of the welfare program and explains the provisions of HR 10606 specifically designed to revise the federal approach to welfare problems.

Changing Conditions

In transmitting the Administration draft of HR 10606 to Congress Feb. 1, 1962 President Kennedy said: "The times, the conditions, the problems have changed -- and the nature and objectives of our public assistance and child welfare programs must be changed, also, if they are to meet our human needs." At the time Ribicoff's nomination was before the Senate, the Secretary had announced that the Department would conduct an extensive review of federal welfare laws in light of such changing conditions and submit legislative proposals to meet new problems.

To conduct the review, HEW set up an Ad Hoc Committee on Public Welfare composed of 20 leaders in public and private welfare. It was headed by Sanford Solender, executive vice president of the National Jewish Welfare Board with Rutgers University Graduate School of Social Work Dean Wayne Vasey as chief consultant. In its September 1961 report to the Secretary, the Committee made legislative recommendations which were embodied in HR 10606. It discussed trends which had made those recommendations necessary:

- Large numbers of people have changed geographic location, often moving to a totally new kind of community to which adjustment is difficult.

- Industries have decentralized, shifting from one section of the country to another, often with profound effects on community economy.

- Technological change has demanded new work skills in industry and agriculture, led to increased unemployment and sudden lay-offs.

- More children are born and desertion and divorce have increased.

Speaking of these trends in supporting HR 10606 Feb. 7, 1962 before the House Ways and Means Committee, Ribicoff said, "All of these factors have thrown onto our welfare rolls a different kind of human burden. The dependents now among us are often quite unlike those produced by the Great Depression of the thirties. They still include of course, the lame, the halt and the blind we all want and need to help. But there are some who are quite different. Deprived of opportunity, bowed down under a bewildering array of new problems, suspect by their fellows, they are devoid of hope in the midst of a society providing abundantly and well for most of us."

Ribicoff Dec. 11, 1961 announced administrative revisions in the welfare program which included: an effort to reduce the "small number" of persons receiving welfare funds through willful misrepresentation; allowing dependent children to save money for education, employment or medical needs without having the amount deducted from public assistance grants (previously such money had to be reported for deduction); increased coordination of agency welfare work; and changing the name of the Public Assistance Bureau to the Bureau of Family Services. In announcing the revisions, Ribicoff denied that they had been prompted by the Newburgh, N.Y. July 15, 1961 actions of denying Aid to Dependent Children (ADC) aid to unmarried mothers who bear another illegitimate child and placing a three-month limitation on relief. Ribicoff said the Newburgh approach of cutting off aid without providing self-help measures was "destructive" and "solves nothing." He said the time was over for giving attention "to every demagogue who comes down the pike", and that the administrative proposals represented a new "constructive" approach to welfare. He said the actions were the first part of a broad action program for revision of the welfare laws.

President Kennedy Feb. 1, 1962 sent to Congress a draft bill accompanied by a special message on the welfare program -- the first message dealing exclusively with welfare ever transmitted by a President. The President praised the administrative welfare revisions but said that they alone were not enough, that new legislation was necessary to provide welfare programs to "meet modern needs." The new "far reaching" proposals, he said, would help meet such needs while stressing "the integrity and preservation of the family unit." Following is a summary of the new proposals.

New Proposals

Prevention and Rehabilitation. Under existing law, the Federal Government pays one-half of the cost of administrative and service costs incurred by the states in operating welfare programs. HR 10606 would amend this to provide that while the Federal Government would still pay one-half of administrative costs, it would separate out and pay three-quarters of the state rehabilitative and service costs. It stipulated that for the first time service funds would be used for rehabilitation of possible welfare clients, to prevent their entrance onto welfare rolls, as well as for existing welfare recipients. The HEW Secretary was authorized to specify the minimum services a state would have to provide for rehabilitation if it was to receive three-quarters federal sharing.

In a letter accompanying the draft bill, Ribicoff said the three-quarters sharing provisions were designed to assure that public welfare programs, while recognizing day to day needs, emphasized the return of individuals to the highest possible degree of self-sufficiency. It was estimated the prevention and rehabilitation provisions would cost \$40.8 million in the first year.

Increased Personnel Training. HR 10606 authorized \$3,500,000 in fiscal 1963 and \$5 million annually thereafter for grants to the states for training welfare personnel. The bill stipulated that the personnel would be trained primarily to provide services for work with families with an unmarried or deserting parent.

Social welfare leaders have long felt that a major problem in federal welfare programs stemmed from the fact that many social caseworkers are underpaid and untrained, often lacking a high school degree. Ribicoff in an Oct. 24 speech said "the social worker or more often the untrained caseworker, fantastically overworked and underpaid, has become a mere conduit for public funds, unable to devote time to the prevention, rehabilitation, and protective services that they know are necessary."

Increased training funds were also proposed by the Eisenhower Administration. The Kennedy Administration in 1961 requested \$3,500,000 for welfare personnel training in the Labor-HEW Appropriation bill (HR 7035) but the request was denied. (1961 Almanac p. 162)

Day Care. HR 10606 for the first time provided a specific authorization (the excess of \$25,000,000 appropriated annually for child welfare services up to a maximum of \$10,000,000) would be earmarked for the provision of day care under a state child welfare services plan. The funds would be used for the establishment of child day care centers for children of working mothers.

Ribicoff May 14, 1962 said currently only 185,000 children were cared for in day care centers and that there was "an urgent need" for day care expansion to insure that "the well-being of children in need of day care would no longer be jeopardized through inadequate provision for their care and protection."

Community Work Programs. HR 10606 authorized federal financial participation, through the Aid to Dependent Children program, in payments made to parents on the basis of work performed on community projects or participation in training programs.

The Ad Hoc Committee on Public Welfare report said such provisions would help combat joblessness, and would

enable unemployed workers to "maintain morale and prevent attrition of skills and erosion of self-respect."

A fifth innovative provision of HR 10606 was dropped from the bill by the House Committee. The provision would have prohibited states from requiring more than one year's residence as a condition of eligibility for adult welfare grants and would have provided incentive payments of one-half of 1 percent of the federal matching grant for states which completely removed residence requirements for all federally aided programs.

In recommending such a provision, the Ad Hoc Committee on Public Welfare said restrictive residence requirements were in conflict with the freedom of movement which is essential to economic progress. It said it was inconsistent to impose state residence requirements for services financed largely with federal funds.

Other Provisions. In another major provision, HR 10606 as reported to the Senate also permitted a state welfare agency, between Oct. 1, 1962 and June 30, 1967, to make payments in up to 5 percent of ADC cases, to persons concerned with the welfare of a family receiving an ADC grant when the family failed to manage funds properly. As passed by the House, the bill had also permitted the welfare agency, when ADC funds were not being managed properly, to take any action permitted by state law short of withholding funds, and to make voucher payments directly to landlords, grocers etc. Both of these provisions were opposed by the Administration during Senate Finance Committee hearings as the only backward measures in a forward-looking bill, and were deleted by the Committee. The report said the provisions were "neither necessary nor desirable" and the protective payment provision ("a new concept in public assistance") would deal satisfactorily with the problem of misuse of ADC funds.

HR 10606 also extended or made permanent existing welfare programs. It extended for five years the 1961 amendment to the Social Security Act which made children of unemployed fathers eligible for ADC grants; and it made permanent a 1961 amendment which authorized continued federal sharing in ADC grants for children removed to foster homes by court order.

As passed by the House, the bill increased the maximum amount of federal sharing for each Old Age Assistance recipient and aid to the blind and disabled recipient to \$70, effective July 1, 1962. The Administration had asked that that a temporary increase to \$66 be made permanent and opposed the House action. The Senate Finance Committee, in its only other major amendment to HR 10606, retained the \$70 increase but made it effective Oct. 1, 1962.

HR 10606 also contained provisions to unify state welfare programs to reduce administration duplication of effort and to set up an Advisory Council on Public Welfare to make recommendations on public welfare programs.

In reporting HR 10606, the Senate Finance Committee said the bill was designed to improve rehabilitative aspects of public assistance programs, particularly by stimulating services designed to help individuals attain self-sufficiency. It said that HR 10606 would provide increased services by more highly trained welfare personnel "to relieve the undesirable effect on the community of a large and growing number of persons now on assistance."



On Appropriations

SENATE-HOUSE FEUD HALTS APPROPRIATION BILLS

A feud between the Senate and House Appropriations Committees led by two Congressional octogenarians has held up final passage of appropriation bills to finance the operation of Government departments for fiscal 1963 (beginning July 1) and of a supplemental appropriations bill providing funds for 28 Government agencies to meet expenses in the current fiscal year.

This CQ fact sheet traces the development of the feud and looks at some of its immediate effects.

Background

The constitutional requirement that revenue bills be initiated in the House of Representatives has become true by tradition for appropriation bills. Such bills originate in the House Appropriations Committee, a committee consisting of 50 members and 15 subcommittees. Following House passage, the bill goes to the Senate Appropriations Committee, consisting of 27 members and 13 subcommittees. The Senate has frequently amended the House version by increasing the amounts included in the House bill. The bill then goes to conference. The conference is held on the Senate side of the Capitol and is chaired by a Senate conferee. The final amount adopted is usually a compromise between the Senate and House figures. Appropriation legislation has been carried out in this manner for some 180 years.

There are no set time limits on Congressional action on general appropriation bills, but the federal fiscal year begins July 1. Thus if appropriation legislation has not been completed by that date, it is necessary for the two houses to adopt some kind of emergency legislation or provisional financing to enable the Government agencies to continue operations on a daily basis. This is usually done by the passage of joint resolutions (continuing resolutions) providing needed appropriations until a specified date in the new fiscal year (by which time it is assumed the appropriation bills will have been finally passed). The amount adopted can be based on the appropriation figure of the concluding fiscal year, or on the lower figure in the House and Senate versions of the appropriation bill for the new fiscal year. In 1949, six such resolutions had to be passed, and an Army civil functions bill was held up in conference for over four months.

The Feud

The contenders in the current feud are two Congressional octogenarians: On the Senate side is Senate Appropriations Committee Chairman Carl Hayden (D Ariz.), 84; Hayden in Feb. 1962 became the first person to serve as a member of Congress for 50 consecutive years. He served in the House from 1912-27 and in the Senate from 1927 to the present. On the House side is House Appropriations Committee Chairman Clarence Cannon (D Mo.), 83, who has served in the 68th and succeeding Congresses (1923-present.)

The feud began in April when the House Appropriations Committee adopted a resolution calling for a rotation between the House and Senate sides of the Capitol as

sites for conferences on appropriation bills. The Senate Committee countered by proposing that the Senate be allowed to originate half of all appropriation bills.

As a result of the dispute, conferees from the two committees have met only once to consider an appropriation bill. On April 10, the two sides met on HR 10526, a bill providing funds for the Treasury and Post Office for fiscal 1963. (The Senate version passed March 29 provided \$5,526,558,000, compared with the House version passed March 6 providing \$5,461,671,000. Weekly Report p. 495)

The conferees did not meet at all on HR 11038, the Second Supplemental Appropriation bill providing funds for various Government departments and agencies for the fiscal year ending June 30. The House bill passed April 4 provided \$447,514,000 for 25 agencies and departments, compared to the Senate version passed April 16 providing \$560,008,344 for 28 agencies and departments. (Weekly Report p. 625)

The funds were to be distributed to independent offices and to a variety of agencies and divisions within the Agriculture, State, Commerce, Defense, Interior, Judiciary, Treasury, Justice and Health, Education and Welfare Departments. The bill included funds for the National Aeronautics and Space Administration, the Small Business Administration and for disaster relief.

The delay in passing the Second Supplemental has led to a situation whereby several of the Government agencies have nearly run out of money. To meet this emergency, the House June 14 passed a stop-gap resolution (H J Res 745) providing \$133 million from the proposed (but as yet undetermined) Second Supplemental appropriation figure (\$560 Senate version, \$447 House version). The resolution was then sent to the Senate Appropriations Committee. Chairman Hayden June 15 sent a letter to Cannon informing the House Chairman that it was the unanimous decision of the Senate Committee that H J Res 745 was "inadequate to meet the pressing demands before the close of this fiscal year in the public interest." He said that all the matters included in H J Res 745 were included in HR 11038 and therefore invited the House conferees to meet on HR 11038 with the Senate conferees in the Old Supreme Court Chamber.

The Chamber room is approximately half-way between the House and Senate sides of the Capitol, and this neutral location apparently satisfied the House demand for a rotation of conference sites. But Cannon brought out a new House demand: that in the future, the chairmanship of the conferences be rotated between the House and Senate conferees. In response, the Senate Committee reiterated its demand that half of all appropriation bills be initiated in the Senate. At the suggestion of House Majority Leader John W. McCormack (D Mass.), seven representatives from each Committee met June 18 (in the Old Supreme Court Chamber) but they were unable to resolve their differences.

The old formula for handling appropriation bills has worked for some 180 years, and the question arises

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as to why Cannon decided in 1962 to scuttle tradition. The Administrative Assistant for a Republican member of the Senate Appropriations Committee said he thought the root of the current dispute lay in the September 1961 Senate-House conference battle over the First Supplemental Appropriation Bill (HR 9169) for fiscal 1962 (signed PL 87-332 Sept. 30, 1961.) The Senate opposed a House provision in that bill extending the use of the Congressional franking privilege to letters addressed only to "occupant" and a House deletion of a provision raising the "basic" clerk-hire allowance for Senators by \$3,000. The House adjourned for the year before the Senate had taken up the conference report leaving the Senate with no alternative but to agree to the House version on disputed provisions or let the bill die. (1961 Almanac p. 183)

The Administrative Assistant for a Democratic member of the Senate Committee told CQ that in his opinion there was no "substantive issue" involved in the feud, but that most of the trouble could be traced to the personalities of the two contending leaders.

Chairman Cannon indicated in statements to the press that one reason for conducting the feud was economy. After Hayden had turned down the House request for a rotation of the chairing of conferences, Cannon said "the importance of presiding" was that "the chairman frequently decides what the compromise will be and that puts us at a great disadvantage." He said the House demand resulted from a desire to cut appropriations: "Every bill we have passed for years has been increased by the Senate. They put in everything they can think of just because some Senator wants it for his state." Cannon said: "If we could preside at conferences half of the time, maybe we could cut out half of these increases." (A look at appropriation bills over the past few years substantiates Cannon's claim that the Senate figure is usually higher than the House amount. See 1959 Almanac p. 63, 1960 Almanac p. 75, 1961 Almanac p. 73.)

Effects

The picturesque sight of a legislative duel waged by octogenarians Cannon and Hayden has not amused many of the Government officials awaiting funds for their departments and agencies.

The Chief of the Secret Service, James J. Rowley, June 16 sent a memorandum to some 700 Secret Service personnel asking them "to volunteer without any pay starting June 17." He wrote: "While I am not able to guarantee that you will be reimbursed for this voluntary service, I am confident that the appropriate authorities will see to it that you are paid in full for your service."

It is illegal for a federal employee to work without pay unless he has specifically volunteered to do so. A representative of the Secret Service said this step had been necessary because the Service was "out of money."

A representative of the Small Business Administration (which expects to receive \$85-90 million from HR 11038) said that the Small Business Administration had ceased making loans on March 9 in order to maintain a sufficient amount in its revolving fund to meet emergency requirements. State Department travel funds are also held up by the failure to enact the supplemental bill.

When the two appropriations committees do settle their differences, they will find at least two additional appropriation bills awaiting consideration. The Senate June 12 sent to conference HR 10802, the Interior Appropriation Bill for fiscal 1963 (providing \$922,560,820 compared to the House figure of \$868,595,000 -- Weekly Report p. 1009) and on June 13 sent to conference HR 11289, the Defense Appropriation Bill for fiscal 1963, (providing \$48,429,221,000 compared to the \$47,839,491,000 voted by the House -- Weekly Report p. 1004).

Congressmen themselves may face pay-day difficulties if the stalemate continues. The House April 11 passed the legislative appropriation bill providing fiscal 1963 funds for Congressmen, but the Senate Committee has not yet reported the bill. (Weekly Report p. 584).

STATUS OF APPROPRIATIONS, 87th CONGRESS, 2nd SESSION

Agency	Weekly Report Page No.	Requested	HOUSE		SENATE		Final
			Committee	Passed	Committee	Passed	
Agriculture Commerce Defense (HR 11289)	1004	\$47,907,000,000	\$47,839,491,000	\$47,839,491,000	\$48,429,221,000	\$48,429,221,000	
District of Columbia Federal Payment District Budget							
Independent Offices Interior (HR 10802)	1009	930,674,000	868,595,000	868,595,000	916,560,820	922,560,820	
Labor-HEW (HR 10904)	494	5,284,831,000	5,170,788,000	5,170,788,000			
Legislative (HR 11151)	584	114,078,425	113,733,890	113,733,890			
Public Works State-Justice-Judiciary Treasury-Post Office, Exec. Offices (HR 10526)	495	5,575,386,000	5,461,671,000	5,461,671,000	5,526,558,000	5,526,558,000	
Foreign Aid Regular Peace Corps (HR 10700)							
Military Construction 2nd Supplemental, FY 1962 (HR 11038)	625	547,902,000	431,807,000	447,514,000	487,802,980	560,008,344	
Veteran's Administration Supplemental, FY 1962 (HJ Res 612)	202	151,200,000	55,000,000	55,000,000	55,000,000	55,000,000	\$55,000,000



On Trade Policy

U.S. COMMON-MARKET POLICY FOUND IN TRADE BILL

The official United States desire to see Great Britain and some other European countries join the "Six" in the European Economic Community (Common Market) was reflected in specific language in the Administration version of the Trade Expansion Act of 1962 (HR 9900). A "clean" bill (HR 11970), containing changes made by the House Ways and Means Committee, was reported by that group June 15. (Weekly Report p. 1028) It retained virtually the same language in HR 9900 relating to the EEC. Section 211 provides:

"...if...the President determines that...the United States and all countries of the European Economic Community together accounted for 80 percent or more of the aggregated world export value of all articles within such category, he may" negotiate reduction of tariffs in any category down to zero. The terms of the bill defined the EEC as consisting of whatever members it has at the time the authority is used. The key element here is that the "80 percent clause" -- or "dominate supplier authority" -- would be practically meaningless unless Britain is a member of EEC. This implied contingency in the bill has provoked some Congressional criticism.

The current six EEC members are France, Germany, Italy, Belgium, Netherlands and Luxembourg. Four countries -- Great Britain, Ireland, Denmark and Norway -- have applied for full membership in EEC. Greece, Turkey, Spain, Sweden, Switzerland and Austria, some of which are committed to "neutralist" positions, have sought "associate" membership in EEC.

The United States has strongly backed formation of the Common Market, not only as an opportunity for strengthening Europe economically but also as a vehicle for greater political unity, eventually leading perhaps to a "United States of Europe." The U.S. has pressed for British entry into the EEC. Current negotiations for British membership are complicated particularly by Great Britain's connections with the Commonwealth nations.

U.S. officials have discouraged the neutrals' attempt to gain limited membership in EEC on the grounds that it would slow up political development of the Community. This has reportedly aroused considerable resentment in Sweden, Austria and Switzerland, which engage in a large volume of trade with the members of EEC but whose traditional neutralism -- statutory in the cases of Austria and Switzerland -- prevents military and political association which many feel is implicit in development of the Common Market.

'Dominant Supplier Formula'

In his testimony before the House Ways and Means Committee March 12, Secretary of Commerce Luther H. Hodges presented a list of 26 trade categories, led by aircraft, to which the "dominant supplier authority" applied if it were assumed that five other nations -- Denmark, Greece, Ireland, Norway and United Kingdom -- were in the Common Market with the present six nations. This list is printed in the accompanying chart.

'80 Percent Categories'

Following are those commodity groups, listed by Secretary of Commerce Luther H. Hodges for the House Ways and Means Committee, of which exports from the United States and the European Economic Community (France, Germany, Italy, Netherlands, Luxembourg and Belgium) and "five other possible EEC members" (Denmark, Greece, Ireland, Norway and United Kingdom) combined total 80 percent or more of free world exports in 1960. Export value excluded exports from the European countries mentioned above to each other, and exports from free world countries to countries in the Communist bloc (including Cuba). (First column, figures are percentages; all other columns, in millions of dollars.)

Commodity group	Percent of free world exports from United States, EEC, and 5 others	U.S. exports to free world	U.S. imports from free world	U.S. net trade with free world	EEC and 5 others' exports to free world, excluding EEC plus 5 intra-trade	U.S. imports from EEC and 5 others	EEC and 5 others' imports from United States
Aircraft.....	87	1,227	53	1,174	259	20	425
Photographic and cinematographic supplies, except cameras.....	88	82	29	53	93	28	13
Coal, coke, and briquettes.....	82	360	4	356	133	-----	197
Fur skins.....	91	16	9	7	21	8	6
Road motor vehicles.....	91	1,237	643	594	2,671	696	78
Margarine and shortenings.....	90	47	1	46	42	-----	38
Glass, excluding glassware.....	89	34	54	-20	140	44	5
Pigments and paints.....	88	77	4	73	117	3	20
Perfumery, cosmetics, and cleansing preparations.....	88	74	9	65	144	7	7
Railway vehicles.....	87	126	1	125	157	-----	1
Sugar confectionery and other sugar preparations.....	88	10	15	-5	37	12	1
Nonalcoholic beverages.....	86	1	1	0	13	-----	05
Metalworking machinery.....	86	352	36	316	355	27	1
Road vehicles, excluding motor.....	86	24	38	-9	124	25	-----
Agricultural machinery, including tractors.....	85	520	130	384	414	38	30
Musical instruments, sound recorders, and parts.....	85	57	45	12	122	34	10
Leather manufactures.....	83	6	5	1	10	2	-----
Organic chemicals.....	82	296	54	242	324	26	176
Power generating machinery, excluding electric.....	82	280	24	256	649	17	180
Miscellaneous chemicals, including plastics and insecticides.....	81	682	40	642	522	20	188
Materials of rubber.....	81	8	6	2	42	-----	9
Office machinery.....	81	207	87	140	211	52	69
Industrial machinery, except power generating and metalworking.....	81	1,817	170	1,647	1,966	92	340
Tobacco manufactures.....	80	97	1	96	56	1	11
Articles of rubber.....	80	152	47	105	229	25	13
Electric machinery.....	80	1,036	284	752	1,535	122	216
Total, 80 percent and above (26 groups).....	-----	8,803	1,783	7,040	10,895	1,199	2,086

How the 80 percent figure was arrived at as the appropriate level under the "dominant supplier formula" has not been thoroughly explained by the Administration. One Administration trade expert told CQ: "The 80 percent is not a magic number. We had to find a figure that had some appeal as representing a truly dominant trade position. It could have been any other percentage -- 75, 85, 90 -- as long as it was high enough so as to reduce its vulnerability to attack on the grounds that it applied to nations other than the U.S. and the Common Market. We had to keep in mind the 'third country' problem."

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Reuss Criticism

The present wording of the "80 percent clause" of the trade bill has come under criticism from a few Congressmen, particularly Rep. Henry S. Reuss (D Wis.), who claims that it is a club to force Great Britain into EEC. He favors wording the "80 percent clause" so that it would include the other countries of Europe even if they did not become members of EEC.

"Should this bill be so written as to pursue the foreign policy goal of getting Britain into the Common Market," Reuss asked, "or to attempt to develop the widest possible trade among all free nations?"

Reuss' position goes beyond this specific criticism of the wording of section 211 to concern that the Common Market will become a high-tariff area which would threaten free-world trade. In a May 17 speech in the House, he asked this question:

"Should we now be concentrating our efforts on creating a huge and mighty new Western European Common Market, protected at least at the outset by high tariffs and other preferential arrangements on many important trade categories? Or should we instead be striving, together with the other member countries of GATT (General Agreement on Tariffs and Trade), to create the widest possible free world community which would neither include nor exclude countries according to any preconceived design?"

Reuss said that Hodges' list of 26 major categories of trade would be reduced merely to aircraft unless the United Kingdom and some other European countries do in fact join the Six. "We cannot afford to wait while possibly protracted negotiations are conducted by third countries with the Common Market," he said, "Moreover, there is always the chance that the EEC will not expand beyond its present size.

"By delaying tariff negotiations with the Common Market, we will also be subjecting the European neutral nations to unnecessary hardship," Reuss said.

Sen. Jacob K. Javits (R N.Y.) has provided a broader "dominant supplier formula" in his alternative proposal (S 2840) with the provision that, in agreements with "fully developed nations or areas," duties may be reduced by 100 percent.

Sens. Prescott Bush (R Conn.) and Paul H. Douglas (D Ill.) are known to share in some degree Reuss' views on section 211.

Administration Position

Administration spokesmen acknowledged that the "80 percent clause" would be practically meaningless unless at least Great Britain joined the Common Market. During hearings on HR 9900, Under Secretary of State George W. Ball said April 11: "The authority provided by section 211 would not be very great" if Britain did not join.

Another official told CQ that the clause reflected the fact that the U.S. has directed its foreign policy toward a successfully expanded Common Market. "If the Common Market carries full United States support, it will become the development of the world trade scene," he said.

"We didn't see any point to having looser authority, not specifically tied to the Common Market," the Administration spokesman said, "lest it be capitalized upon by those in Great Britain who did not want to see United Kingdom membership in the Market. If one viewed membership purely as a commercial association, a broader wording (of section 211) would have removed the incentive to join." However, he said he felt that most Britons had other, more idealistic motives for wanting to join a united Europe.

He said that, with all the preparation needed, it would not be until at least late 1964 before negotiations could begin for lowering tariffs with the Common Market and that, by that time, expansion of EEC should have been accomplished.

While the Administration acknowledges Reuss' point that section 211 is calculated to encourage British membership in the Common Market, they differ on whether or not this is advisable. Reuss says no -- that Britain and other European countries should be included in the section 211 language whether or not they are Common Market members. Reuss further says that the U.S. must take "the alternative course -- to greater economic and political integration on a free-world-wide basis" -- that is, look beyond EEC.

The Administration's policy is geared to getting Britain to join the Market and the language of the bill both encourages and assumes such membership. Some observers suggest that the reason behind the Administration policy is that it apparently feels that the U.S. is not politically ready to go as far as Reuss and others suggest. At any rate, its policy stops short of it.

Check your Congressional Quarterly Almanacs for additional details and background information on the news of Congress appearing in the Weekly Reports. Published since 1945, the CQ Almanac is fully indexed and cross referenced.



On Youth Employment

YOUTH EMPLOYMENT BILL AWAITS RULES COMMITTEE ACTION

When President Kennedy at his June 7 press conference ticked off the bills he most wants enacted by Congress before it adjourns this year, the Youth Employment Opportunities Act was among them. But even with the President and a formidable array of lobby groups behind it, the youth bill has many hurdles to survive before Mr. Kennedy would have an opportunity to sign it, and it is quite possible that the bill will never reach his desk.

Both the House Education and Labor and the Senate Labor and Public Welfare Committees have reported bills along the lines of the President's proposals. But they vary greatly in scope and expense, and this is part of the difficulty.

The Administration in 1961 recommended pilot projects to establish a Youth Conservation Corps similar to the Civilian Conservation Corps of the 1930s; and public service programs manned by the young in urban areas. (A third recommendation, on-the-job youth training, was subsequently incorporated in the Manpower Development and Training Act -- see below.) Both programs would be administered by the Labor Department. The YCC program would be run in close cooperation with the Departments of Interior, Agriculture and Health, Education and Welfare, and would provide resource development and conservation work for young men between the ages of 16 and 21. At least half the YCC trainees would be drawn from areas of "substantial unemployment," and would work largely on federal lands. The public service trainees would engage in work in schools, hospitals, libraries, public welfare agencies and in various private service agencies such as the Boy Scouts and settlement houses.

The Senate Committee followed the lead of Sen. Hubert H. Humphrey (D Minn.) and Sept. 12, 1961 reported a bill (S 404 -- S Rept 976) authorizing a full-scale, permanent Conservation Corps which would start with 30,000 members and expand to an annual enrollment of 150,000, costing \$1.3 billion in the first four years and \$400 million in each year thereafter. The House Committee approved only a pilot YCC, but did double the Administration request by providing a group of 12,000 for three years, at an annual cost of \$50 million. Both Committees approved similar programs for youth public service, with an enrollment of 25,000 in the first year and 33,000 in the next two years and costing \$25 million in the first year and \$33 million in the next two. Unlike the YCC, which would be completely federally financed, the urban service program would involve federal matching on a 50-50 basis with local governmental units and the non-profit service agencies.

The House bill was reported March 29, 1962 (HR 10682 -- H Rept 1540). The Committee had reported a similar bill in 1961 (HR 8354), but replaced it with HR 10682 because the earlier bill had also contained provision for on-the-job training of youth. That provision, which was also requested by the President in 1961, was incorporated into the Manpower Development and Training Act of 1962, which was signed into law March 15 (Weekly Report p. 423). The training section had been

taken out of the Senate youth employment bill before it was reported. (1961 Almanac p. 283)

The House bill is now awaiting clearance for floor debate by the House Rules Committee. The Committee held a hearing on granting a rule May 16, but was interrupted by a House roll call, and there has been no action on it since. Although Chairman Howard W. Smith (D Va.) is reportedly against the bill, House sources say the bill will probably receive a rule. The next hurdle will be House passage. The bill's supporters predict House approval, but acknowledge that opposition, particularly by Republicans and conservative Democrats will be strong. Their hope is to pick up sufficient votes from urban Republicans to get the bill through. If the bill does survive these two hurdles, it will then run into the highest one of all -- Senate-House agreement on a final bill, which will be made more difficult by the end-of-the-session time squeeze which is approaching.

At the time the Senate bill was reported in late 1961, its backers decided to hold it up until the House passed its counterpart. The reason usually given is that Senate passage is assured, but the Senate should not be put through an empty ritual. "We're getting tired of passing bills, only to see them die in the House," says one Senate source.

Another reason that has been given -- and a more compelling one -- is that the bill's backers fear that if the Senate passed S 404 with its much larger and more expensive YCC, "it might scare the House so much they wouldn't act at all," in the words of one.

This strategy might help get the bill over the initial hurdles of the Rules Committee and House floor, but the problem of a final House-Senate compromise would remain.

The Controversy

The bill is designed to help young men and women who do not finish school, do not have skills, and consequently have great difficulty finding jobs. It would have the secondary effect of providing manpower for understaffed public service institutions and for conservation projects. It is backed by a large number of conservationist and social welfare groups.

Opposition to it is based on the federal expenditures involved and a feeling that it is not needed, particularly the urban youth employment section. House Education and Labor Committee Republicans said in the report that the kind of training to be received under this program "offers so little in the way of opening doors to future employment or in furnishing proper motivation." They said that the manpower retraining act had made "a start in the right direction," and that HR 10682 "would simply be a detour down an old blind alley." Another objection has been against supervision of the program by the Department of Labor. It is argued that it is not sensible to put conservation work under the Labor Department and that the bill gives too much power to the Secretary to determine the projects for the urban youth corps.



On Renegotiation Act

EXPIRING ACT PROVIDES RENEGOTIATION OF MILITARY CONTRACTS

House passage June 18 of a bill (HR 12061 -- H Rept 1812) to extend the Renegotiation Act of 1951 for two years paved the way for final Congressional action on the measure before the Act expires June 30, 1962. The bill was passed by voice vote with little debate and sent to the Senate without amendment. A bill (HR 10215) to extend the Act for four years until June 30, 1966, was introduced Feb. 15. The Ways and Means Committee June 6 began executive hearings and June 11 approved a two-year extension.

The renegotiation process enables the Government to regain "excessive profits" charged by private firms in the fulfillment of defense contracts and related subcontracts with certain specified departments. Because of rapid technological changes and developments in aircraft, missile and space fields, previous pricing and contracting experience is often inadequate to prevent excessive profits on new materials. The renegotiation law is designed to provide a safeguard for the Government, according to Lawrence E. Hartwig, chairman of the agency that handles renegotiation.

Background

The Act up for renewal this year was first passed on March 23, 1951 in response to the Korean War. However, renegotiation dates back to World War II. The first renegotiation statute was enacted on April 28, 1942. It was followed by other Acts throughout the 1940s. Except for a lapse of approximately two-and-one-half years between the termination of the 1943 Act and the enactment of the 1948 Act, the history of renegotiation covers a period of more than 19 years. The current law (PL 82-9) took effect Jan. 1, 1951. It has been extended five times. (1959 Almanac, p. 279)

Operation of the Act

Renegotiation currently is handled by the Renegotiation Board, an independent agency created by the 1951 Act in the Executive Branch of the Government. It consists of five members appointed by the President with the consent of the Senate. Regional Boards sit in New York, Detroit and Los Angeles. The Board views its activities as "purely administrative" and itself as an arm of the executive rather than a judicial or quasi- or semi-judicial body. Following a Board ruling of excessive profits the contractor against whom the ruling is made may appeal to the United States Tax Court for a new ruling. However, the Court has decided that the contractor bears the burden of proving the alleged error of the Board's ruling.

Not all Government business is subject to renegotiation. Under the Act, a contract is subject to renegotiation if it is with the Departments of Defense, Army, Navy and Air Force, the Maritime Administration, the Federal Maritime Board, the General Services Administration, the Atomic Energy Commission or the National Aeronautics and Space Administration. In addition, the President may designate as being covered by the Act "any other

agency...exercising functions" immediately and directly concerned with defense during a national emergency. None had been so designated by June, 1962. Although NASA is concerned with civilian space research, it was brought under the Act on grounds that some of its activities might include developments of military significance.

The renegotiation process must be conducted on an "aggregate" or "fiscal-year" basis rather than a contract-by-contract basis. This means the Board must deal with all amounts received or accrued by a contractor during a fiscal year (or such other mutually accepted period) under contracts and related subcontracts with all Government departments subject to the Act. The process cannot be conducted on individual contracts placed by a particular procurement agency.

Exemptions. The Act exempts various types of contracts from renegotiation. There are a number of mandatory exemptions, for contracts: involving a state or other political subdivision or a foreign government; for certain agricultural commodities; for minerals, natural deposits or timber not processed beyond the first form or state for industrial use; with certain regulated common carriers of business utilities; with certain income-tax exempt organizations; which the Board decides are not directly and immediately related to defense; or which are awarded by competitive bidding for certain types of construction. Also exempt from renegotiation are certain receipts and accruals for durable productive equipment and purchase of standard commercial articles and services.

Certain permissive exemptions are allowed at the Board's discretion. They involve contracts or subcontracts: (1) to be performed outside the territorial limits of the United States; (2) under which, in the opinion of the Board, profits can be determined with reasonable certainty when contract price is established; (3) for performance during a period or periods if, in the opinion of the Board, the contract provisions are otherwise adequate to prevent excessive profits; (4) the renegotiation of which would jeopardize secrecy required in the public interest; and (5) any subcontract or group of subcontracts not otherwise exempt if, in the opinion of the Board, it is not administratively feasible to determine and segregate the profits attributable thereto from profits attributable to nonrenegotiable activities.

The Act provides that "aggregate" or "fiscal year" receipts and accruals of less than one million dollars shall not be renegotiated. This minimum amount subject to renegotiation, called the "floor," has been increased from the original \$250,000 in 1951. There are some exceptions to the "floor" standard for certain types of contracts.

Factors Considered. The Act carries no formulae or pre-established rates for determining "excess profits," so the determination in every case reflects the judgment of the Board.

However, the Board is required to give "favorable recognition" to the "efficiency of the contractor or

subcontractor," and to consider the following six factors: (1) the reasonableness of costs and profits, with particular regard to volume of production, normal earnings and comparison of war- and peace-time products; (2) the relative amounts of public and private capital employed; (3) the extent of risk assumed, including the risk incident to reasonable pricing policies; (4) the nature and extent of the contribution to the defense effort, including inventive and developmental contributions and cooperation with the Government and other contractors in supplying technical assistance; (5) the character of the business, including the source and nature of materials, complexity of manufacturing technique, character and extent of subcontracting and rate of turnover; and (6) such other factors as the Board may wish to consider, and publish in its regulations, in the interest of the public and fair and equitable dealing.

Problems Cited

A report on the Act, issued Jan. 31, 1961 by the Joint Committee on Internal Revenue Taxation, noted frequent criticisms of the current law. Two common criticisms arise because renegotiation is conducted on an "aggregate" fiscal-year basis. The more serious criticism, in the view of most groups which submitted comments for the Joint Committee's study, is that deficiencies in profits on renegotiable business for years before or after the year being renegotiated are not required by law to be, and often are not in fact, taken into account by the Renegotiation Board or the Tax Court in determining whether or not profits for the year under review are excessive. A second criticism involves actual losses -- as distinguished from deficient profits -- for years other than the year being renegotiated. Losses from five prior years may be carried forward to the year under review and must be considered by the Board. But losses after the year under review cannot be carried back to that year.

The problem in both cases is that contractors may incur high initial costs under a long-term contract which result in deficient or no profits in those years. But they may realize substantially higher profits in later years. On an over-all basis, the contractors might still operate at a reasonable level of profits or even at a loss. The report said that short but successive contracts for the production of a particular type of item may produce a similar situation. "In such cases it would obviously be unfair to look only at the year or years of high profits and determine that profits are excessive. Nevertheless, there remain numerous instances in which essentially just that happens under present law and practice," the report said.

Changes Deferred

In the past, the Act has been amended each of the five times it has been extended. The staff of the Joint Committee in its study declined to make recommendations for basic changes on the grounds that a recently reconstituted Board has been conducting a new examination of the renegotiation process.

In his budget message to Congress in January President Kennedy requested an extension of the Act. The Renegotiation Board on Jan. 22, 1962 urged extension of the Act for four years. The Joint Committee's staff, however, recommended only a two year extension, again on the basis of the Board's re-examination of renegotiation.

Excess Profits Recovery

In fiscal 1961 the Board dealt with renegotiable sales of \$25 billion and renegotiable profits of \$909 million. During that year the Board made 68 determinations of excessive profits totaling \$17,200,093.

Since its inception, the Board has made 3,519 determinations of excessive profits totaling \$853,721,027 through June 30, 1961. In addition, contractors made voluntary refunds and price reductions totaling \$1,143,165,394. Together, these two items amount to \$1,996,886,421.

However, because income and, in some cases, Korean War excess profits taxes were paid on these earnings before they were returned to the Government, the contractors were entitled to tax credits after the profits were returned. The Board estimates that these credits totaled \$1,229,800,000. When the estimated tax credits are subtracted from the gross profit recovery, the Government is shown to have made a net recovery of \$767.1 million through June 30, 1961.

In addition, the staff study said that "renegotiation should not become a permanent part of the law, since it being a process which requires the exercise of judgment of men rather than an application of fixed rules of law, should have periodic review by the Congress." In letters to the staff chairman, the GSA, NASA, AEC and Maritime Administration either supported or did not object to extension of the Act.

The House Ways and Means Committee in its report June 12 said it was aware of the numerous proposals for revision but lacked sufficient time "to give (them) the consideration which they warrant." Therefore, no amendments other than to extend the Act were proposed.

In House debate June 18, Rep. Noah M. Mason (R Ill.) said the extension was supported "not without some reluctance" by Republicans on the Ways and Means Committee. Although agreeing that large military and space budgets made excessive-profit safeguards necessary, he said the Act may defeat its own purpose. "Renegotiation destroys incentive. The cost of the item to the Government, rather than the profit realized by the contractor, should be the criteria. If the Government saves money on the purchase, the amount of profit earned should not be of major concern so long as the purchase was made competitive and the procurement agency had every opportunity to cost out the prices quoted," he said.

PROFIT PYRAMIDING

The hearings on pyramiding of profits and costs in missile procurement, conducted this spring by the Senate Government Operations Permanent Investigations Subcommittee, (Weekly Report p. 962) could lead to renegotiation proceedings with some of the producers involved. However, an official at the Renegotiation Board said that action against these producers could not be brought only on the basis of missile profits. At issue in the hearings were specific instances of profit pyramiding. As noted above, the Renegotiation Board must consider all of the amounts received or accrued by a contractor during the fiscal year under contracts with all Government departments under the Act.



Committee Roundup

ESTES INQUIRY

COMMITTEE -- House Government Operations, Intergovernmental Relations Subcommittee.

CONTINUED HEARINGS -- On the grain storage and cotton allotment dealings of Billie Sol Estes, a Texas financier under indictment in Texas courts for fraud. (Weekly Report p. 1029) Testimony:

June 15 -- M.C. Wheeler, president of the Commercial Solvents Corp., said the charge that there was three-way collusion involving Commercial Solvents, Estes and the Agriculture Department, was "utterly without foundation."

(Rep. Ross Bass (D Tenn.) June 14 said the Agriculture Department had agreed to pay directly to Commercial Solvents fees which it would owe to Estes for storage of federal grain. Estes wanted the fund to be paid to Commercial Solvents for repayment on a debt. Bass said the Agriculture Department had assigned funds to Commercial Solvents before it actually had given Estes a grain storage license, showing "a clear case of collusion.")

Wheeler said the statement was "flatly in error." He said the assignment was not approved by the Agriculture Department before Estes' grain storage contract was approved and the assignment form itself was not delivered to Commercial Solvents Corp. until after the contract was approved by the Government.

William S. Leonhardt, vice-president of Commercial Solvents, testified that he had sold \$30,000 worth of the Company stock two weeks before Estes' arrest to pay off a personal note. He said he did not have any advance knowledge of Estes' financial difficulties.

RELATED DEVELOPMENTS -- June 8 -- Texas Attorney General Will Wilson after reading a secret Agriculture Department report on Estes' cotton allotment dealings said "there is no doubt in my mind that Henry H. Marshall aided Billie Sol Estes in his operations." (Marshall was the former chief of production adjustment for the Texas State Agricultural Stabilization and Conservation office. His June 1961 death has been under investigation by a Texas grand jury.) District Judge John M. Barron said "I don't see how he (Wilson) can come to this conclusion. I have the same information he does and there is no inference whatsoever to show misconduct on Marshall's part."

June 9 -- Federal District Judge R.E. Thomason of El Paso, Texas, ordered the sale of a farm implement company and a Pecos newspaper, the "Daily News", owned by Estes. (Estes' various enterprises were put into voluntary receivership April 7; the court appointed receiver is Harry Moore Jr.). The Washington Post May 28 reported that when Estes began his newspaper on Aug. 1, 1961, he published front page messages of good wishes from President Kennedy, Vice President Lyndon B. Johnson, former Speaker Sam Rayburn, Rep. J.T. Rutherford (D Texas), Sen. Ralph W. Yarborough (D Texas) and Dr. James T. Ralph, then Assistant Secretary of Agriculture. (Ralph was dismissed by the Agriculture Department May 15 after an FBI report disclosed he had used Estes' credit card to make long-distance telephone calls.)

June 13 -- Estes appeared before the Texas grand jury investigating the Marshall death. Robertson County District Attorney Bryan Russ said Estes' testimony had opened "new avenues...that we have to go into." Attorney General Wilson said Estes had refused to answer some 100 questions on the ground of possible self-incrimination.

June 15 -- Estes, in an appearance at a bankruptcy hearing in El Paso, proposed a plan to pay off \$38 million of debts to his 564 creditors. He said that whatever was left over should go into a trust fund for the 4-H club of America. Estes' creditors said the plan was unworkable and urged that Estes be placed in involuntary bankruptcy, under which the various assets of Estes' enterprises would be sold at auction. Estes denied that he had bank accounts in Switzerland or anyplace outside Texas.

June 19 -- The Texas grand jury investigating the Marshall death decided the available evidence was "inconclusive to substantiate a different decision (from the initial ruling of suicide) at this time." Judge Barron said "if any evidence warranting an indictment comes up, the grand jury can come right back."

POLL TAX AMENDMENT

COMMITTEE -- House Judiciary.

ACTION -- June 13 reported, without amendment, a resolution (S J Res 29 -- H Rept 1821) proposing a constitutional amendment to bar states or the Federal Government from requiring payment of a poll tax as a qualification for voting in federal elections and primaries. It would prohibit the imposition of a poll tax in any primary or other election for President or Vice President or for U.S. Senator or Representative. Congress would be authorized to enforce the prohibition.

The report said only five states -- Alabama, Arkansas, Mississippi, Texas and Virginia -- currently required payment of a poll tax. It said the number of persons voting in those states was relatively low when compared to the number eligible to vote. It said elimination of the "antiquated" poll tax by constitutional amendment would provide a "more direct approach to participation by more of the people in their Government."

The report said elimination of the poll tax by means of a constitutional amendment -- requiring ratification of the legislatures of three-fourths of the states within seven years after submission of the amendment to the states by the U.S. Congress -- was necessary because Congress lacked constitutional power to regulate the voting qualifications or the manner of electing presidential and vice-presidential electors. If election of presidential electors had not been included in the amendment, the report said, use of the constitutional amendment would still be preferable to statutory elimination of the tax because long periods of litigation to test the statute's constitutionality would follow enactment of a statute.

In minority views Reps. Edwin E. Willis (D La.), E.L. Forrester (D Ga.), William M. Tuck (D Va.), Robert T. Ashmore (D S.C.) and John Dowdy (D Texas) opposed the resolution as a "political gesture addressed to powerful minority groups who neither live nor vote in poll tax states."

The minority said the resolution should be defeated because the amendment was inconsistent with the Constitution, because no legitimate need was served by its adoption and because it was a "flagrant intrusion" into the area of rights reserved to the states.

BACKGROUND -- S J Res 29 was approved in the Senate March 27 on a 77-16 roll-call vote after 10 days of debate. It was supported by the Administration. (Weekly Report p. 491)

TAX RATE EXTENSION

COMMITTEE -- Senate Finance.

ACTION -- June 18 reported a bill (HR 11879 -- S Rept 1604) to extend for one year, until July 1, 1963, existing corporate and excise taxes and to reduce certain transportation taxes.

As reported, the bill accepted most of the provisions in HR 11879 as passed by the House June 6. (Weekly Report p. 958) However, the Senate Committee recommended that the excise tax on all forms of transportation of persons, except on air travel, expire July 1, 1962. The House bill extended these taxes until Dec. 31, 1962.

In other amendments, the Committee exempted from the transportation tax the portion of an uninterrupted international air trip that is made in the U.S. Under existing law, if a flight from Chicago to Europe stops in New York, the Chicago-New York portion is subject to the 10 percent tax. Another amendment exempted from the 10 percent general telephone tax or the 10 percent wire mileage tax, private lines or leased wires which permit communication from one fixed location to another when they are used in a trade or business.

TRANSPORTATION REGULATION

COMMITTEE -- Senate Commerce.

ACTION -- June 13 unanimously reported, with amendments, a bill (S 2560 -- S Rept 1588) to strengthen procedures for curbing illegal operations in the motor carrier field. (For Fact Sheet on transportation policy, see Weekly Report p. 38; for transportation message see p. 560)

S 2560 included two provisions recommended by President Kennedy in his April 4 Message to Congress on Transportation. One of the recommended provisions permitted the Interstate Commerce Commission to negotiate cooperative agreements with the states for the enforcement of laws covering economic and safety aspects of highway transportation. The report said such agreements would be directed toward elimination of unlawful trucking operations.

The other Administration-recommended provision increased from \$100 to \$200 the penalty for infractions of laws requiring motor carriers to file reports on equipment and operations. It also extended similar penalties to violations of safety regulations and to operations without ICC authorization to operate in for-hire motor transportation in interstate or foreign commerce. The report said the provision would be helpful in eliminating unlawful and questionable carrier leasing arrangements.

In other provisions, the ICC in consultation with the states and interested groups was authorized to establish uniform registration standards among the states which currently regulated vehicles in interstate commerce. The report said the provision was designed to assist in the discovery and prosecution of illegal operators.

The bill permitted the inclusion as a party to an illegal action, without regard to territorial limits, of any carrier or broker or other person who violated the law. It permitted a person injured by an illegal operation to seek an injunction through the federal courts to restrain the illegal operation. It also brought freight forwarders of used household goods under ICC regulation.

EXPORT CONTROL ACT

COMMITTEE -- House Banking and Currency.

ACTION -- June 18 reported a bill (HR 11309 -- H Rept 1836) to extend the Export Control Act of 1949 for three years, through June 30, 1965. The House Banking and Currency Subcommittee No. 1 June 11 had approved HR 11309 making the Act permanent, as the Kennedy Administration had requested. The Senate Banking and Currency Committee had also approved a permanent extension of the Act. (Weekly Report p. 1025)

The Act allows the Executive Branch to prohibit or curtail the export of any material or technical data for the purposes of protecting the national security, preventing domestic shortages and promoting foreign policy. It is administered by the Commerce Department.

The full House Committee June 14 by voice vote adopted the amendment, offered by Rep. William S. Moorhead (D Pa.), to extend the Act for only three years. The Moorhead amendment was a substitute for a pending amendment by Rep. William W. Scranton (R Pa.) to limit the extension to two years.

In its report, the Committee said it extended the Act for only three years because "activities under the Act should be reviewed periodically because of their importance and their relationship to our foreign policy."

STOCKPILING INVESTIGATION

COMMITTEE -- Senate Armed Services, National Stockpile and Naval Petroleum Reserves Subcommittee.

CONTINUED HEARINGS -- On stockpiling policies and surpluses of strategic materials. (Weekly Report p. 964) Testimony:

June 11 -- John J. Croston, an official of the General Services Administration, testified that it was often difficult for the GSA to sell from the stockpile because of objections raised by other agencies.

(The Office of Emergency Planning April 27 brought into effect a system whereby the OEP Director was given authority to order disposals from the stockpile. Weekly Report p. 806)

June 18 -- William Wickes, business analyst for the Defense Materials Service of the General Services Administration, said the Interior Department had vetoed a GSA request in March 1962 to sell 5000 tons of surplus tungsten from the Defense Production Act stockpile (materials from this stockpile can be sold without Congressional authority) to electric lamp manufacturers. (The Interior Department explanation for refusing to allow the sale said: "After a review of the tungsten market and the possible effects of curtailment of demand by the substitution of Government material for current producer output, this Department concludes that it cannot approve the proposed disposal.") Wickes said the GSA had also requested authority to sell sub-specification aluminum but the Office of Emergency Planning had not granted permission for such sales because of objections from the aluminum industry.

Committee Roundup - 3

June 19 -- Felix E. Wormser, a former Assistant Secretary of the Interior for Mineral Resources (1953-57) and a vice president of the St. Joseph Lead Co. before and after his period of federal service, testified that Government stockpiling of lead and zinc during the early years of the Eisenhower Administration was designed in part to support the domestic price. He said this was done to strengthen the domestic mining industry for mobilization purposes. Wormser said: "It was in part a price support. I have to admit it."

(Stockpile objectives for lead and zinc were elevated several times between 1954-58, with some \$204 million spent for these materials during that period. The Government currently has a surplus of lead and zinc in the stockpile at an estimated market value of \$544 million. Under the Agricultural Trade Development and Assistance Act of 1954 (PL 480) the Agriculture Department can exchange food and fibre surpluses with foreign nations in return for metal surpluses without violating stockpiling laws. By this means, 105,000 tons of lead were imported in 1961.)

RELATED DEVELOPMENTS -- June 13 -- The Senate Armed Services Committee approved a resolution authorizing the disposal of 14 strategic and critical materials from the stockpile with an estimated current market value of approximately \$170 million. The House passed the resolution (H Con Res 473) June 4. (Weekly Report p. 965)

June 16 -- The House Appropriations Committee Independent Offices Subcommittee released testimony by Bernard L. Boutin, administrator of the General Services Administration, indicating that the Kennedy Administration had devised a proposal for the annual disposal of \$600 to \$800 million worth of stockpile materials, about ten times the current disposal rate. Boutin said such disposals could be made from the stockpile "without causing serious disruption to the domestic market or the foreign market, or crippling prices." He said the GSA was submitting the disposal plan to the Budget Bureau.

FEDERAL PREEMPTION

COMMITTEE -- House Judiciary.

ACTION -- June 13 reported a bill (HR 3 -- H Rept 1820) establishing rules of interpretation for federal courts when dealing with the doctrine of federal preemption. Under the doctrine of federal preemption, courts have ruled that the Federal Government, through enactment of legislation, has taken over a former area of concurrent state and federal legislative jurisdiction, thereby nullifying state laws. In its first section, HR 3 provided that a federal law could not be interpreted by the Courts as nullifying a state law in the same area of concurrent legislative authority unless the federal statute contained a specific provision to that effect or unless there were an irreconcilable conflict between the federal and state statutes. The provision was made applicable to all existing law.

In its second section, the bill provided that federal criminal sedition statutes punishing subversion against the U.S. or any state could not be interpreted as preventing the states from passing or enforcing state criminal laws on the same subject. In effect, it would nullify the Supreme Court's 1956 decision in the *Pennsylvania v. Nelson* case in which the Courts struck down portions of the state sedition laws punishing subversion against the Federal Government.

The report said the bill was proposed in recognition of the fundamental principle that the U.S. was a nation of dual sovereignty. It said the bill would make certain that the preemption doctrine would not be expanded beyond that which was intended by the framers of the Constitution.

In minority views, Democratic Reps. Celler (N.Y.), Committee chairman, Lane (Mass.), Feighan (Ohio), Rodino (N.J.), Rogers (Colo.), Donohue (Mass.), Libonati (Ill.), Toll (Pa.), Kastenmeier (Wis.) and Gilbert (N.Y.) opposed the first section. The minority said it was so ambiguous that it would give rise to extensive litigation and would "unsettle legal relationships and responsibilities long established, accepted and understood."

In additional views, Republican Reps. Lindsay (N.Y.) and Cahill (N.Y.) said the first section of the bill would cause great harm if enacted. They said the fact that the provisions applied retroactively to existing laws would place an "intolerable burden" on Congress to review existing law to determine if preemption clauses should be added.

Lindsay and Cahill joined with minority Democrats Celler, Lane, Rodino, Rogers, Toll, Kastenmeier and Gilbert in opposing the sedition section of HR 3. They said the protection of the nation against subversion was a matter for trained professionals at the federal level, not for county and municipal law enforcement officers.

BACKGROUND -- HR 3 was introduced by Rules Committee Chairman Howard W. Smith (D Va.), who introduced similar bills bearing the same number in the 84th, 85th and 86th Congresses. It was twice passed by the House but has never been acted on in the Senate. (1959 Almanac p. 205)

NATIONWIDE VACCINATION

COMMITTEE -- House Interstate and Foreign Commerce.

ACTION -- June 18 reported, with amendments, an Administration bill (HR 10541 -- H Rept 1835) authorizing \$14 million in fiscal 1963 and \$11 million in each of the two succeeding fiscal years for grants to the states for vaccination programs against polio, diphtheria, whooping cough and tetanus. A nationwide vaccination program was recommended by President Kennedy in his Feb. 27 message to Congress on health programs. (Weekly Report p. 349)

The bill provided that federal funds could be used for vaccine for children under five years of age and for salaries and related expenses of state and local health personnel for planning, promotional, and laboratory surveillance activities in connection with the programs. States were required to pay the costs of professional services to administer the vaccine, purchase of equipment needed to carry out the program and recordkeeping at clinics.

The report said intensive programs were necessary because two-thirds of U.S. children under five had not received the recommended course of vaccine, and a large number of completely unvaccinated children contained the potential of an epidemic outbreak.

In individual views, Rep. Peter H. Dominick (R Colo.) said HR 10541 ignored progress in the immunization field by individual states. He said he would offer an amendment to require that federal funds be provided on a matching basis and their use be limited to purchase of a share of the vaccine.



Political Notes

COURTS CONTINUE TO PRESS FOR STATE REAPPORTIONMENT

State legislatures in numerous additional states are being pressed to reapportion their districts by federal and state courts acting in the wake of the Supreme Court's March 26 decision in the Tennessee apportionment case (*Baker v. Carr* -- Weekly Report p. 496). In each case where the courts have pressed the states to take action, apparent violation of the 14th Amendment's guarantees of equal protection of the laws has been cited as the grounds for court action.

Up to the beginning of June, important court decisions had been made by the Supreme Court (Michigan case), lower federal courts (Alabama and Georgia cases) and by state courts (Maryland). (For full details see Weekly Report p. 967).

Since the beginning of June, important additional decisions have been made by the Supreme Court (New York and Georgia cases) and by state and lower federal courts in several other states.

Details of recent decisions:

COLORADO -- The Colorado Supreme Court June 14 ordered: Gov. Stephen L.R. McNichols (D) to show cause within seven days why he should not be required to call a special session of the General Assembly to act on reapportionment; members of the General Assembly to show cause within seven days why they should not be required to reapportion; Secretary of State George Baker to show cause within seven days why he should not be restrained from holding the 1962 election for members of the General Assembly; and State Treasurer Tim Armstrong to show cause within seven days why he should not be required to cut off the pay of the members of the General Assembly until they reapportion.

The Court is expected to issue actual reapportionment orders after the show cause orders have been answered and argued.

GEORGIA -- The United States Supreme Court June 18 agreed to review an April 28 federal district court decision that held Georgia's county unit vote primary system unconstitutional. (Weekly Report p. 968) The Supreme Court will not hear the case until the fall term which begins in October, so that the Sept. 12 Georgia Democratic primary will have to be conducted without the unit system for the first time in 54 years.

MISSISSIPPI -- State Chancellor W.T. Horton June 7 ruled that the apportionment of seats in the State Legislature was unconstitutional and asked Gov. Ross R. Barnett (D) to call a special session of the Legislature to act on reapportionment before Horton's court convenes Nov. 24, 1962. Horton said in his ruling that "should our legislative bodies not act timely, this court will reapportion them, and enter a decree enjoining the state and county election commissions and commissioners from holding elections or electing any Senator or any Representative...." Horton said he would reapportion both houses of the Legislature on a population basis if the Legislature did not act.

NEW YORK -- The United States Supreme Court June 11 set aside a lower court decision dismissing a challenge to the constitutionality of the apportionment of the New York State Legislature.

The Court ruled that the federal district court that dismissed the case Jan. 11 must rule on the constitutionality of the state's legislative districts. In its seven to one decision, the Supreme Court referred to its ruling on the Tennessee reapportionment case (*Baker vs. Carr*). Justice Harlan dissented in the New York case, criticizing the majority for failing to set guidelines for the lower courts. Justice Harlan also dissented, along with Justice Frankfurter, in the Tennessee case.

Gov. Nelson A. Rockefeller (R) June 12 refused to call a special session of the New York Legislature to act on reapportionment, stating that the "matter is so important it cannot be dealt with dispassionately in an election year -- it is a hot political subject."

NORTH DAKOTA -- In a two-to-one decision, a federal district court May 31 refused to prohibit the 1962 election of the North Dakota Legislative Assembly on the basis that its apportionment was unconstitutional. The court, however, retained jurisdiction and stated that if the 1963 Legislature fails to reapportion, the plaintiffs may again come before the Court 30 days after the Legislature adjourns. Judge Ronald N. Davies said in a dissent that the Secretary of State "should be restrained and enjoined from doing any act necessary to the holding of an election...until and unless the Legislature shall properly reapportion seats...."

OKLAHOMA -- A three judge federal district court June 19 ruled that Oklahoma's legislative apportionment was "unconstitutional and void." The court stated that if Gov. J. Howard Edmondson (D) has not called the Legislature into special session by July 31 for the specific purpose of reapportionment, the court may reapportion by judicial order. In the event the Legislature is called into special session, the court said it would postpone final action until Sept. 10.

PENNSYLVANIA -- The six-man Dauphin County Commonwealth Court June 13 ruled that the Pennsylvania General Assembly must reapportion itself during its 1963 session or have the Court take reapportionment action. The Court refused to force reapportionment before the 1962 elections on the grounds that the 1962 electoral process had already begun with the May 15 primaries, and to declare those primaries invalid would cause a chaotic situation and probably deprive citizens of the right to elect their legislators.

The Court stated that "where the people nominated their candidates in accordance with the election code, an injunction preventing the electorate from exercising its will would...negate the will of the electorate by judicial fiat."

WISCONSIN -- A special panel of three federal judges June 13 ordered Gov. Gaylord A. Nelson (D) to call

Political Notes - 2

a special session for the Wisconsin State Legislature within 10 days "to enact a fair and constitutional apportionment law pursuant to the constitution of Wisconsin." The court said, in a letter to the Governor, that they would appoint a special master to draw up new districts if the Legislature proves reluctant to reapportion. The court's letter did not specifically mention Congressional redistricting although the original complaint requested reapportionment of both the State Legislature and the Congressional districts.

Nelson June 13 issued the call for a special session of the legislature to consider both Congressional and Legislative redistricting. At the June 18 opening session of the Legislature, Nelson said that "the job of apportionment must be done, and done right now." Nelson, who had urged state and Congressional redistricting in 1961, noted that current "candidates adversely affected will have far less time to revise their plans.... Election laws must be amended temporarily to permit circulation of nomination papers in new districts."

Nelson recommended a Congressional redistricting plan that would eliminate the 9th Congressional District (West Central - Eau Claire) and replace it with a new district composed of Waukesha County and the western half of Milwaukee County. Under the plan, Rep. Lester R. Johnson (D 9th District) would be thrown in with either Reps. Vernon W. Thomson (R 3rd District - Southwest - LaCrosse) or Alvin E. O'Konski (R 10th District Northwest - Superior).

MASSACHUSETTS GOP CONVENTION

Former Assistant Secretary of Labor George Cabot Lodge (R), 34, June 16 won the Massachusetts Republican state convention endorsement for the U.S. Senate over U.S. Rep. Laurence Curtis (R 10th District - Brookline, Newton), 68. The convention also endorsed Gov. John A. Volpe (R), 54, for renomination by acclamation.

Lodge, son of 1960 Vice Presidential candidate, former United Nations Ambassador and former Sen. Henry Cabot Lodge (R Mass. 1937-44, 1947-53), narrowly defeated Curtis on the first ballot after the lead had changed hands several times during the voting. The final convention vote was 936 for Lodge and 848 for Curtis. At one time during the balloting Curtis led with 154 votes to 61 for Lodge.

Curtis said he would make no immediate statement as to whether or not he will oppose Lodge in the Sept. 18 primary election. Many Curtis supporters are reportedly urging Curtis to enter the primary despite the tradition among Massachusetts Republicans that top statewide candidates abide by the convention's decision.

In his acceptance speech, Lodge offered to debate the two candidates for the Democratic Senatorial nomination, Edward M. (Ted) Kennedy (D), 30, the President's youngest brother, and Edward J. McCormack (D), 38, nephew of House Speaker John W. McCormack (D Mass.). "I will welcome any opportunity to debate any opponent any time," Lodge said, "and Teddy and Eddie, I hope you're listening." Lodge said he decided to run for the Senate because he was "shocked at the use of naked power by the Federal Government" and was "angry at the callous manner in which a single family has grasped for personal power." Without mentioning any names, Lodge said "their arrogance is so complete that, with open contempt for their own party in their own state, they forced the Democratic convention to endorse the most unqualified

candidate for public office this country has ever seen." (Weekly Report p. 1031)

Ted Kennedy June 15 replied that "Mr. Lodge is entitled to his opinion about the Kennedy family and my candidacy.... I personally feel that the Lodges themselves have made great contributions to the state of Massachusetts and the nation."

In a bitter fight for the state attorney general nomination, Boston Finance Chairman Edward W. Brooke (R) won the convention endorsement on the second ballot over former U.S. Attorney Elliot L. Richardson (R) after Richardson failed by a single vote to win endorsement on the first ballot. On the second ballot, Brooke, a Negro, won the convention endorsement over Richardson by a vote of 792 to 674. Richardson backers are reportedly considering a court challenge against certain rulings made by the convention chairman, U.S. Sen. Leverett Saltonstall (R Mass.), regarding the tallying of votes during the first ballot. Richardson is also said to be seriously considering a primary fight against Brooke for the nomination.

ALABAMA REPUBLICANS

Alabama Republicans, meeting at their state convention held June 8 in Birmingham, nominated Gadsden petroleum products distributor James D. Martin (R), a former president of the Associated Industries of Alabama, as their candidate for the U.S. Senate to oppose incumbent Sen. Lister Hill (D) in the general election.

In his acceptance speech, Martin called for a "return to the spirit of '61 -- 1861, when our fathers formed a new nation" to support their principles. "God willing," said Martin, "we will not again be forced to take up rifle and bayonet to preserve these principles.... Make no mistake, my friends, this will be a fight. The bugle call is loud and clear. The South has risen! We have heard the call!"

Republicans also nominated three Congressional candidates to oppose the eight Democratic incumbents in the at-large general election. The Democratic incumbents were renominated in the May 29 "nine-and-eight" primary. (Weekly Report p. 947) The convention decided not to run a candidate against Democratic gubernatorial candidate George Wallace.

The Republican candidates are: Talladega, publisher Tom Abernethy (R), who was the unsuccessful Republican candidate for Governor in 1954; John Buchanan Jr. (R), son of a well-known Birmingham minister; and Mobile businessman Evan Foreman (R), a vociferous segregationist who accused the Kennedy Administration of "getting ready to register the monkeys to vote."

Birmingham lawyer John Grenier, 32, leader of a party insurgent group, was elected state Republican chairman over long-time party chairman Claude O. Vardaman.

CANDIDATE KILLED

A. Edward Smith (R), 60, the Republican candidate for Governor of Georgia, June 5 was killed in an automobile accident near Woodbury, Ga. Smith apparently fell asleep at the wheel of his automobile and the vehicle collided with a truck. He is survived by his wife, who was injured in the accident, and his twin daughters.

Smith, a former president of the Georgia Bar Assn., had launched a vigorous attack on the one-party system in

the state and called for legislative apportionment and complete abolition of the county unit vote system.

Georgia Republican leaders planned to call a second nominating convention "in early July" to name a new Republican gubernatorial candidate to replace Smith.

JUDD TO RUN

Reversing an earlier decision to retire at the end of the current term, Rep. Walter H. Judd (R Minn., 5th District - Minneapolis), 63, May 31 announced he would run for re-election to an 11th term in the House. (Weekly Report p. 646)

Judd said his "decision not to run was made in good faith and its reversal was made in good faith, as a result of arguments of people in whom I have much confidence." Judd said that among "the 5,000 letters and messages" urging him to run were letters from former Presidents Dwight D. Eisenhower and Herbert Hoover.

Judd's home district was made substantially more Democratic by the state's 1961 Congressional redistricting bill, and without Judd might well have gone Democratic. "It's a Democratic district now and a new Republican would have little chance there," Judd said. The new district consists of the entire city of Minneapolis.

MRS. WEIS RETIREMENT

Rep. Jessica McC. Weis (R N.Y. 38th District, North Central - Rochester), 60, June 14 announced she will not seek re-election to the House. Mrs. Weis said she was retiring on the advice of her physician but would campaign actively for the entire Republican ticket in New York.

Mrs. Weis, a member of the House since 1959, is a member of the House District of Columbia and Science and Astronautics Committees.

BEAN INDICTED IN TEXAS

El Paso County Judge Woodrow Wilson Bean (D), 44, who was defeated in the June 2 Texas U.S. Representative at-large run-off primary by former State Rep. Joe Pool (D), June 12 was indicted by a federal grand jury for failure to file federal income tax returns for 1956 through 1960 on a total income of \$53,296. During the primary campaign, Bean admitted he had not filed an income tax return since 1952. If convicted, Bean could receive one year in prison and a \$10,000 fine on each of five counts. (Weekly Report p. 977)

MAINE PRIMARY RESULTS

Results of the June 18 primary (Weekly Report p. 978):

Governor. The outcome of the Democratic gubernatorial primary between Democratic National Committeeman Richard J. Dubord (D), 40, and former state Grange master Maynard C. Doloff (D), 48, remained in doubt as complete unofficial returns gave Doloff a margin of only 139 votes out of 36,073. Doloff received 18,106 votes to 17,967 for Dubord. "I don't know what to think now," Doloff said, "in view of this discrepancy, anything could happen." Dubord, who had refused to concede, said he had received reports of "sizable errors" in other precincts, and would reserve comment until the final tabulation becomes available July 11.

Incumbent Gov. John H. Reed (R), 41, was unopposed for the Republican nomination.

U. S. House. There was no primary contest in the 2nd District (North - Lewiston, Auburn, Bangor).

1st District (South - Portland, Augusta) -- Rep. Stanley R. Tupper (R), 41, who ran as a more moderate Republican, defeated conservative Rep. Peter A. Garland (R), 39, for the Republican nomination in the new combined district created by a 1961 Congressional redistricting law. Complete unofficial returns gave Tupper 25,242 votes to 15,666 for Garland.

Maine observers felt that Garland's separation from his wife and his refusal to debate Tupper on television were at least partially responsible for Tupper's surprisingly easy victory.

During the campaign, Tupper said that Garland was being drawn "ever closer to the extreme right wing element" which "lives in a world of fantasy," while Garland charged that Tupper appeared "more comfortable when supporting the philosophy of the Democratic party."

Winner of the Democratic nomination was State Rep. Thomas L. Maynard (D) of Portland. Maynard defeated South Portland City Council Chairman Clyde Bartlett (D) by a vote of 7,813 to 5,733, according to complete unofficial returns.

Both Maynard and Bartlett agreed on most issues and avoided any personal attacks during the campaign.

The Congressional nominees, by district:

District	Democrats	Republicans
1	Thomas L. Maynard	*Stanley R. Tupper
2	William D. Hathaway	*Clifford G. McIntire

**Indicates incumbent*

NIXON SUPPORT

State Assemblyman Joseph C. Shell (R), who lost to Richard M. Nixon (R) in the California Republican gubernatorial primary, June 18 endorsed Nixon for Governor of California against incumbent Gov. Edmund G. (Pat) Brown (D). (Weekly Report p. 980)

Shell, who had previously withheld his endorsement of Nixon, announced his support of the former Vice President after a meeting with Nixon in Los Angeles. Immediately after the primary Shell had set certain conditions for his support of Nixon, including a 35 percent share of the California delegates to the 1964 Republican national convention and a pledge to trim \$200 million from the state budget. Shell said he presented those "views" to Nixon at the meeting, but "there were no requests made or any offers tendered or received by Mr. Nixon or myself."

Nixon said Shell's endorsement was "in the responsible tradition of the American political system."

INDIANA REPUBLICAN CONVENTION

Sen. Homer E. Capehart (R), 65, June 19 was re-nominated by acclamation for a fourth term in the Senate by the Indiana Republican state convention meeting in Indianapolis. Indiana Democrats June 22 will nominate their Senatorial candidate at their state convention. Favored for the Democratic nomination is State Rep. Birch E. Bayh Jr. (D) of Terre Haute. Bayh is opposed by Indianapolis Mayor Charles H. Boswell (D), a conservative Democrat. Indiana candidates for the U.S. House were nominated in the May 8 primary election. (Weekly Report p. 815)



Presidential Report

TRANSCRIPT OF THE PRESIDENT'S JUNE 14 PRESS CONFERENCE

Following is the complete transcript of President Kennedy's June 14 press conference, the 36th of his term, held 7 days after the 35th: (Weekly Report p. 1036)

THE PRESIDENT: I have an opening statement.

FLIGHT ENGINEERS

The welfare and economy of the public will be seriously damaged by the strike now being threatened by the Flight Engineers Union against three major airlines, TWA, Pan American and Eastern. This action would create and have a significant impact upon our economy, and we have made every effort during the past months to bring about a happy solution.

This dispute stems from the recommendations made last year by the Special Commission I established that flight crews on jet aircraft be reduced from four men to three men. No one has questioned either the wisdom or the necessity of that recommendation.

The Commission also recommended that all presently employed flight engineers are to be given prior job rights on the three man crews, and that any changes made in the transition would in no way prejudice their representational rights. The companies agreed to pay all costs of training the flight engineers to enable them to serve on three man crews.

The Air Line Pilots Association in a related dispute involving Pan American Airways agreed that arbitration was the responsible means of settling this matter, and the airline companies in this dispute have accepted my request made in accordance with the applicable provisions of the Railway Labor Act that all issues be voluntarily submitted to the final and binding judgment of a three man arbitration panel composed of outstanding public, labor and management leaders.

But the flight engineers union has ignored this request. They are threatening to strike for still more job and representational security, wage increases of more than 20 percent over a three year period, reduction in working hours from 85 hours a month to 75 hours a month, and other demands.

1800 men are threatening a strike which would cause the immediate layoff of some 60,000 employees, the immobilization of 40 percent of the nation's airline service, and the loss of over \$1 million a day from international flights, which our balance of payments cannot afford.

We have been, under the Railway Labor Act procedures, seeking a settlement for 17 months, but the flight engineers have not accepted the decision of the National Mediator Board. They have rejected the report of the Special Presidential Commission on jet crews. They have refused to accept the careful recommendations of the three Presidential emergency boards. They have failed to cooperate with the long and thoughtful mediation efforts offered by the National Mediation Board, the Secretary of Labor, and the Special Mediation Panel. And this morning they rejected my request to submit these issues to arbitration.

A strike could have, as I have said, a significant impact on our economy at this time. I strongly urge the flight engineers to meet their public responsibilities, to reconsider their actions, and to either submit this case to arbitration or agree with the carriers on some other means of settling this dispute without any interruption of operation.

SEIZURE POWERS

Q. Mr. President, should the flight engineers not meet your request, would you then be prepared to go to Congress with a request for emergency seizure powers?

THE PRESIDENT: We would have to wait until -- I am hopeful that the flight engineers will heed my request and submit this matter, as I have said, to arbitration, or find some other satisfactory method of settling it peaceably. We have been working,

as I have said, for more than a year, under the responsibilities placed upon us by the Railway Labor Act which covers the airlines, and I am very hopeful that the engineers will reconsider this matter. If they do not, of course, we then will have to consider what would be the proper action.

WAGE, PRICE DISCUSSIONS

Q. Mr. President, following up your recent statement on the economy, particularly your speech at Yale the other day and the Solicitor General's yesterday, is it the Government's intention to play an active role in major labor and industry wage and price discussions and, if so, how would this role be played?

THE PRESIDENT: No, I think -- I have not read the speech of the Solicitor. My speech at Yale, I think, was quite clear. It dealt mainly, chiefly, with another subject, which was that we should attempt to engage in a dialogue on the very intricate questions which are involved in the management of a very complicated economy such as ours, in order to maintain full employment, and keep our economy moving.

As far as -- we have attempted to indicate, of course, through the Council of Economic Advisors and by other means, our concern that we follow policies, particularly in those basic industries which affect our competitive position overseas, that we follow policies that permit us to continue to compete, and continue to keep our economy moving. But these -- this is a free economy. In the final analysis, we have to attempt to work out the solutions on a voluntary basis.

INDIA MIG PURCHASE

Q. Mr. President, India is reported leaning toward the purchase of MIG aircraft from the Soviet Union, and the equipment to manufacture such aircraft in their country. Does the United States have any alternative plan or offer to such an arrangement and what effect might this have on the tensions within the area?

THE PRESIDENT: This is a matter which is being considered in this Government, and also being considered with other governments. It is a matter -- Ambassador Galbraith is returning to India at the end of the week and will, I am sure, be reporting to us on the situation as well as giving our views.

It would seem to me that we should keep it at that level at the present time.

ATTACK ON U.S.S.R.

Q. Mr. President, in a note to the Japanese Government today, Soviet Premier Khrushchev said that it is a criminal act that "a certain element is trying to prepare for a surprise attack on us, by trying to attain the upper hand in the application of nuclear weapons."

Would you address yourself to that remark?

THE PRESIDENT: No, I haven't seen that statement. We are not preparing, if he is referring to us, and I don't know who else he might be referring to, but the United States quite obviously -- it has not been our policy and we made it clear what our policy is, which is to build for our own security and the United States has gone to great length as far as nuclear weapons to secure effective means of control over their testing and the world knows the history of how this present series of tests began, and our great reluctance to commence them.

We have been engaged for many, many months in Geneva in the test ban discussions and also, in the disarmament conference to secure some effective means of bringing an end to the arms race, including the nuclear arms race, and also bringing world tension under control.

We are seeking to do so in Berlin and we have been seeking to do so in Southeast Asia. I am confident that if there is good will on both sides, there can be a lessening of tension, but there has to be good will on both sides.

OVER-POPULATION

Q. Mr. President, this is a question, sir, about a recent report called "Does Over-population Mean Poverty?" It recommended expanded government research on fertility control and expanded technical assistance to under-developed countries seeking to solve problems of over-population. What is your attitude toward those recommendations?

THE PRESIDENT: I have not seen those recommendations. I have always said from the beginning that these were matters which every country must decide for itself. This is not a matter as it goes to basic national feelings, personal feelings, this is a matter which each individual, each family, each country must determine. It cannot be determined by the actions of another country.

DEFICIT SPENDING

Q. Mr. President, in your Yale speech you spoke of deficits as not being necessarily inflationary or harmful. As you know, the attitude about deficits among the American people is largely an unfavorable one. I wonder in light of that if you can elaborate on why you think that deficits may not be bad or harmful.

THE PRESIDENT: It depends. As I tried to say at Yale, the key word is necessarily. I think there has been a feeling that deficits bring inflation with them, and I attempted to make the point at Yale that we had surpluses in the three years after the war, rather large budget surpluses, and still had very sharp inflation. We had had deficits in 1958 and in 1962, and that there had been stable price levels. The largest deficit was in 1958, \$12-1/2 billion. The point I am trying to make is that what we must be concerned about is trying to maintain the vitality of our economy, and that the administrative budget, which is the budget people talk about, is not wholly revealing of the amount of money that the government takes in. If the administrative budget were balanced, the Federal Government would be taking in about \$4 billion more than it was spending on the cash budget side. These are all rather complicated subjects, because of the trust funds and all the rest. That has a deflationary impact on our economy.

Now, we have to realize that we had a recession in 1958 and a recession in 1960. We do not want to run through this country, which is -- on which so much depends, which is the source of strength for the Free World, we do not want to run into periods of recurrent recession. One of the ways which has been considered to avoid this is by following a budget policy which is related to the economy and not related to what I called rather formal traditional positions which may not be applicable to the present time. I thought the experience of Europe, which has had a decade of unequalled progress, partly because they have managed their economy with some skill, partly because they are in a different period of growth, partly because of the Common Market, that it had some lessons for us. These are the matters that I said at Yale we should be talking about, how we can manage our economy, what should be our budget policy, what should be our fiscal policy, and the automatic response that a deficit necessarily produces inflation is not necessarily true.

BUSINESS CONFIDENCE

Q. Mr. President, sir, a lot of people seem to feel that the idea of a Democratic administration trying to win the confidence of business is something like the Republicans trying to win the confidence of labor unions. Do you feel, sir you are making headway in your efforts? Have you seen anything to indicate that business is coming around to your point of view on the economy, and that the confidence you asked for is being restored in the market place?

THE PRESIDENT: Well, I said what is necessary is not really whether some business men may be Republicans -- most businessmen are Republicans, have been traditionally, have voted Republican in every Presidential election. But that is not the important point, whether there is political agreement.

The important point is that they recognize and the Government recognizes, and every group recognizes, the necessity, as I said, of attempting to work out economic policy, which will maintain our economy at an adequate rate of growth. That is the great problem for us. They feel, as I said, that they would be happier if there were a Republican in the White House, but there was a Republican in the White House in 1958 and we had a recession

and there was in 1960. So I think that what we have to realize is that I could be away from the scene, which might make them happy and that they might have a Republican in the White House, but the economic problems would still be there. So what I hope is that we can address ourselves to those and not to a political matter because, after all, the Presidential race isn't until 1964 and at that time it would seem to me to be the appropriate time to argue politics.

Right now we should be concerning ourselves with the real problems of our country, which are of interest to them, which are to labor, which are to all the people.

COMING TO TERMS

Q. Mr. President, there is a feeling in some quarters, sir, that big business is using the stock market slump as a means of forcing you to come to terms with business. One reputable columnist, after talking to businessmen, obviously, reported this week their attitude is now, we have you where we want you. Have you seen any reflection of this attitude?

THE PRESIDENT: I can't believe I am where business, big business, wants me (laughter). I read that column, in the St. Louis Post-Dispatch, as a matter of fact, and Mr. Childs made the point that some, as I believe his phrase was, rich men were quoted as having said what you have said, Mr. Roberts. I can not believe that anybody thinks that in order to take some political, or gain some political benefit, it would be a source of pleasure to them to see the stock market go down or see the economy have difficulties. I don't believe that anyone who looks at our problems at home and abroad could possibly take that partisan attitude. So I don't accept that view. I know that when things don't go well, they like to blame the Presidents, and that is one of the things which Presidents are paid for. But I think what we want to be concerned about, as I have said before, is not the personal dialogue, as much as it is a dialogue on the problem of what tax policies, and what budget policies, fiscal policies we should pursue because if it were merely a matter of the party or personalities, we would not have had our experience that we had in the late 50's. So that shows it is something more substantive here. This is what concerns, I think, all of us, or should.

FAR EASTERN POLICIES

Q. Mr. President, Senator Mansfield a few days ago suggested a review of Far Eastern policies because he said they seem to him either marking time, or at least on a collision course.

Do you think such a review is necessary?

THE PRESIDENT: Well, we have been reviewing. As you know, we have been attempting in the case of Laos to work out a policy which would prevent either one of those situations. Whether we shall be successful or not, only time will tell.

I know that we have put large sums of money, and the situation there is still hazardous. What is true there of course is true all around the world. This is a period of great tension and change. But if the United States had not played a part in Southeast Asia for many years, I think the whole map of Southeast Asia would be different. I am delighted, as you know, I have the highest regard for Senator Mansfield, and I think that we should constantly review, and I think that he suggested we should make judgments between what is essential to our interest and what is marginal. We have been attempting with great difficulty to carry out a policy in Laos which would permit a neutral and independent government there, and in Senator Mansfield's speech he used the examples of Burma and Cambodia. Those were the examples that were also used at the Vienna meeting by Chairman Khrushchev and myself in which we stated the kind of government that we both said we hoped would emerge in Laos. That is the commitment that was made by the Soviet Union, and by the United States.

Now we have moved to a different plateau, and we are going to see whether that commitment can be maintained. But on the other hand, I am sure and I know Senator Mansfield would not think we should withdraw, because withdrawal in the case of Viet Nam and in the case of Thailand might mean a collapse of the entire area.

FOREIGN AID RESTRICTIONS

Q. Mr. President, the Senate passed a number of restrictive amendments on the foreign aid bill besides that limiting aid to Yugoslavia and Poland. Do you think this reflected a growing

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disenchantment in the Senate on the whole question of foreign aid and do you think such actions as that contemplated by India in purchasing jets from the Soviet Union has anything to do with that disenchantment?

THE PRESIDENT: Well, we have carried it a long time and Senator Mansfield's speech showed the world is still with us, and still uncertain, and all of our effort and all of our sacrifice has not produced the new world. But it is not going to.

What we are attempting to do is to maintain our position. There have been a good many changes in the Communist bloc in the last ten years, and some of those have been -- should encourage friends of freedom. So what we want to do is maintain our position and that of our associated nations with us in this effort, and not to desist in 1962 because the race is not over and we have not been completely -- we have not come to home port. We are still at sea.

I think we ought to stay there and continue to do the best we can. There was, as has been revealed in the press, Ambassador Kennan, has been very realistic in his appraisal of our relations with Yugoslavia and is extremely disturbed about what has happened. He feels and the story quoted him in the paper as saying this has been a great gift to the Kremlin at this particular time. Mr. Cabot, our Ambassador to Poland, both of these men are long experienced. Mr. Kennan probably the longest experience, almost, of any American, in studies of the Soviet Union.

Both of them regard this action as a major set-back and as a great asset to Moscow. I don't think we should do those favors to them if we can help it.

LEGISLATIVE PROGRAM

Q. Mr. President, in this same connection, you have had a great deal of trouble with the Democrats on other parts of your legislative program. Have you arrived at any new formula for persuading them to come along?

THE PRESIDENT: I think the Democrats, except for a few Democrats who have habitually voted with the Republicans, the Democrats have done pretty well today. For example, on the debt limitation, every year during, I think, President Eisenhower's administration, except 1953, he had to ask for a change in the debt limit. Every time I voted for it, to give him that power. Today, on a final roll call on a measure which instead of giving us our request of 308 would have rolled it back to 285 billion, which would, of course, have meant that every defense expenditure, space, agriculture, veterans, and every other commitment of the government, would have been in great difficulty and would have made it extremely difficult for us to meet our obligations. Every Republican in the House except nine voted against us. It passed, however, because the Democrats met their responsibility. They did in the House on the tax bill. They have on the trade bill. I think that we do expect, however, that all of these matters will not be made matters of party loyalty and we have to get some support from the Republican side and on occasions in the Senate we certainly have gotten it.

We now have a farm bill upcoming next year. That farm bill can save \$1 billion a year to the taxpayers of this country, over a period of four years, \$4 billion. This is a vote which is in the best interests of American agriculture and in the best interest of the country and in the best interest of the economy of the United States. I hope that this will not be made, as indicated, a party issue on which every Republican will then vote against us and we will find ourselves with a very close vote on a matter which has the first chance of bringing some order out of what is a very chaotic situation.

If we fail and our farm bill is defeated, we go back to the program which is in permanent legislation, the Benson program, which has -- so-called -- which has brought us tremendous surpluses and expenditures of over six and a half billion dollars by the Government every year. Here is a very good chance, and I think that we have a right to expect that on these matters of great national import, at least we will receive some help from across the aisle, because on other occasions many of us voted to give assistance to the President of the United States when he was a member of the opposite party.

On the question of the aid to Poland and Yugoslavia matter, I voted twice to give President Eisenhower the flexibility he felt he needed in order to conduct foreign policy. He bears a great responsibility and the Congress does, also, but I thought he should

have that power, if the situation required it. I would hope that those who are on the opposite side would also, at a time, particularly when there are so many things which are encouraging in the world to us, would be willing to sustain us in giving us a similar power.

FARM BILL

Q. Mr. President, sir, on the farm bill, you have said, and others in the Administration have said repeatedly, that the present programs, because of their expense, cannot go on indefinitely. If Congress should refuse to enact your current program, would you feel required to request the Congress to repeal the existing price support program without controls?

THE PRESIDENT: Well, the choice, it seems to me, is very clearly that the satisfactory provision is the one that we have suggested. Now, if we fail there, of course, then we have, as you have said, the permanent legislation in which we have price supports and no controls, which of course will pile our surpluses up bigger and I think depress our farm income. We would then have to consider what appropriate legislation would be asked for, but the bill we have sent is the one we need. We don't want a bill which has no support for the farmers and we don't want to go to the Congress and say, "Now that you have refused to permit us to have a balance between supply and demand of the kind you have in tobacco and cotton, now we're going to pull out and have no support for the farmers."

So this is the best solution, the one we have before the House next week, and which has already passed the Senate.

HONG KONG REFUGEES

Q. Mr. President, in regard to the Hong Kong refugee problem, yesterday the Colonial Secretary said that food and clothing relief would not resolve the colony's problems, nor would immigration, but that Hong Kong would welcome the assistance of other governments in building hospitals, schools, and clinics and so forth. Is the Administration considering this type of assistance?

THE PRESIDENT: Well, we have contributed very heavily, as you know, toward food. I am not aware that any request has been made for additional assistance, but we will certainly be prepared to consider it, and along with other governments.

SENIOR SERVICE CORPS

Q. Mr. President, proposals for a Senior Service Corps, patterned after the Peace Corps, for the older members of our population have been discussed by your Council on Aging at its first meeting. How do you view this?

THE PRESIDENT: I think that the Council on Aging, that is one of these things they are looking at, and I think they are going to make a report to me very shortly, and I think that they will give us some recommendations on it.

ALLIANCE FOR PROGRESS

Q. Mr. President, do you feel that the Latin American countries are making the contribution that they should within the problems they face on the Alliance for Progress?

THE PRESIDENT: Some countries are making a major effort, and in some countries the effort is slower. As you know, in nearly every country they are dealing with staggering problems, including exchange problems, which are partly induced by the decline in the price, of raw materials, they are getting. And so Latin America faces in many of the countries, they are making a real effort, but they face great problems, and I am hopeful that the United States would be persistent in supporting the Alliance for Progress, and not expect that suddenly the problems of Latin America which have been with us and with them for so many years can suddenly be solved overnight merely in a period of a few months. It will take a long time. At least in some countries they are making progress.

LAOS SETTLEMENT

Q. Mr. President, in reference to your exchange of letters with Chairman Khrushchev on Laos, with both of you suggesting that this might lead to settlement of other international problems,

could you comment on two aspects of that: One, is the Laotian formula in any way applicable to divided Berlin, or divided Germany, and secondly, if it is not, is there still a hope perhaps that this might be a step toward another Summit Meeting for settling outstanding problems?

THE PRESIDENT: No, I don't see a parallel. The situation is different in Berlin than it is in Laos, quite obviously. Obviously, if we can solve by peaceful means and not only get an agreement, but make it work, and both parties demonstrate a sincere commitment to a solution of what has been a difficult problem over a period of time, then it would encourage us to believe that there has been a change in atmosphere, and that other problems also could be subjected to reason and solution. That is why I regard the Laos matter as so important. We have to wait now and see whether we can make this agreement which has been signed; make it work. If we can, then it will be an encouraging step forward to more amicable relations between the Soviet Union and the United States, and we can discuss other problems. There is nothing on a Summit as yet.

PANAMA CANAL

Q. Mr. President, President Chiari of Panama said at his press conference this morning that the bi-national commission which will be set up to consider points of difference between Panama and the United States would have the power to consider renegotiation of the Panama Canal Treaty. I was wondering if this was your attitude also or what your attitude is towards this interpretation of your talks.

THE PRESIDENT: Well, I haven't seen -- I would rather not comment on the statement until I have seen President Chiari's statement in toto. I think the communique describes quite clearly the responsibilities of the commission, and it is going to get to work right away. I would have to look at his statement and read it in detail before I could tell about his interpretation.

SPACE PROGRAM

Q. Mr. President, about a year ago you sent to the Congress a greatly expanded space program, and I was wondering if you could give us your own assessment of how we stand technologically, how you think the American people as a whole have responded to the space effort, and whether you plan any major realignment such as a bigger military role.

THE PRESIDENT: Such as a what?

Q. Such as a bigger role for the military.

THE PRESIDENT: Starting at the end, the military have an important and significant role, though the primary responsibility is held by NASA, and it is primarily peace, and I think the proportion or that mix should continue. I think the American people have supported the effort in space, realizing its significance, and also that it involves a great many possibilities in the future which are still almost unknown to us and just coming over the horizon. As far as where we are, I don't think that the United States is first yet in space, but I think a major effort is being made which will produce important results in the coming months and years.

CARPET AND GLASS DUTIES

Q. Mr. President, in view of the Common Market retaliation, would you perhaps be prepared to concede that it was an error to raise the duties recently on carpets and glass?

THE PRESIDENT: No.

Q. Do you have any intention of rescinding it or will it stand?

THE PRESIDENT: No, it is going to stand. Carpets and glass were a unanimous recommendation of the Tariff Commission. They were very hard hit. We were quite aware of the fact that action would be taken by the Europeans. If we had had passage of the Trade Act, we could have then offered an alternate package which I think would have prevented retaliation. Retaliation is not the most satisfactory device, but as you know we were limited under present law, and, therefore, not able to be as forthcoming as we might have hoped. But there was a particularly drastic situation facing us in carpets and glass, and the Tariff Commission found unanimously that relief should be granted and we went ahead and granted it, and I would not change it.

DEBT LIMIT PRESSURE

Q. Mr. President, sir, I wonder if you think the Congressmen yesterday were justified who said that there had been pressure put on them to get them to vote for the rise in the debt limit and that this pressure had come from the Defense Department to people in districts with large defense contracts. They were told that these defense contracts under negotiation might not be completed if they did not vote for the debt limit.

THE PRESIDENT: Well, I think -- I am sure, I hope, that it was explained to every one what the effect would be if we did not -- if we had to have a stretchout, not able to pay our bills, and that would have been the situation. I recall very clearly in the fall of 1957, in my own State of Massachusetts, when there was a stretchout and the contractors and others had to assume the -- pay their own bills. It not only had a very drastic effect on them, but according to the Brookings Institute and a good many other studies it was one of the factors which helped lead to the 1958 recession. This would have taken, in effect, in a period of four months, two billion dollars out of our economy at a time when we need money flowing into our economy. So they were only being informed of what was a fact, which was that we could not pay the bills in some of these areas if we were not given the kind of flexibility which had been requested of the Congress. It was the same flexibility, as I have said, that President Eisenhower requested and which he received and which we have now received.

AID TO BUSINESS

Q. Mr. President, while most of business certainly doesn't oppose your income tax reduction plan, many businessmen have said if you really want to give business and the economy a shot in the arm, that you should give them a better break on depreciation, tax write-offs, and so forth. I know that a new schedule is coming out, I think within the month, but in addition to that, do you contemplate anything in this area that will help?

THE PRESIDENT: We are going to, as I said before, by the 6th of July, come forward with quicker depreciation write-offs under schedule F for \$1.2 billion. That could have been done any time in the last 15 to 20 years. We have been working on it now for a year. That is going to be important.

In addition, under the tax bill itself it provides very important assistance to business, if we are able to secure its passage by the Senate, and, of course, the third provision of the tax bill is the standby tax authorities in case unemployment begins to move up, which would permit us to have a temporary tax reduction in many brackets. All those I regard as very important.

Q. Thank you, Mr. President.

WEST POINT SPEECH

Partial transcript of June 6 remarks by President Kennedy at graduation exercises, United States Military Academy, West Point, New York:

...But I have spoken thus far only of the military challenges which your education must prepare you for. The non-military problems which you will face will also be most demanding, diplomatic, political and economic. In the years ahead, some of you will serve as advisors to foreign aid missions or even to foreign governments. Some will negotiate terms of a cease-fire with broad political as well as military ramifications. Some of you will go to the far corners of the earth, and to the far reaches of space. Some of you will sit in the highest councils of the Pentagon. Others will hold delicate command posts which are international in character. Still others will advise on plans to abolish arms instead of using them to abolish others.

Whatever your position, the scope of your decisions will not be confined to the traditional tenets of military competence and training. You will need to know and understand not only the foreign policy of the United States, but the foreign policy of all countries scattered around the world who 20 years ago were the most distant names to us. You will need to give orders in different tongues, and read maps by different systems.

You will be involved in economic judgments which most economists would hesitate to make. At what point, for example, does military aid become burdensome to a country and make its freedom endangered rather than helping to secure it. To what

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extent can the gold and dollar cost of our overseas deployments be offset by foreign procurement? Or at what stage can a new weapons system be considered sufficiently advanced to justify large dollar appropriations?

In many countries, your posture and performance will provide the local population with the only evidence of what our country is really like. In other countries, your military mission, its advice and action, will play a key role in determining whether those people will remain free.

You will need to understand the importance of military power and also the limits of military power, to decide what arms should be used to fight and when they should be used to prevent a fight, to determine what represents our vital interests and what interests are only marginal.

ROLE OF MILITARY IN U.S.

Above all, you will have a responsibility to deter war as well as to fight it. For the basic problems facing the world today are not susceptible of a final military solution. While we will long require the services and admire the dedication and commitment of the fighting men of this country, neither our strategy nor our psychology as a nation, and certainly not our economy, must become permanently dependent upon an ever-increasing military establishment.

Our forces, therefore, must fulfil a broader role as a complement to our diplomacy, as an arm of our diplomacy, as a deterrent to our adversaries, and as a symbol to our allies of our determination to support them.

That is why this Academy has seen its curriculum grow and expand in dimension, in substance and in difficulty. That is why you cannot possibly have crowded into these four busy years all of the knowledge and all of the range of experience which you must bring to these subtle and delicate tasks which I have described, and that is why you will go to school year after year so you can serve this country to the best of your ability and your talent....

SAN-JUAN CHAMA, NAVAJO

Remarks of the President on signing S 107, authorizing the San Juan-Chama and Navajo water projects: (Weekly Report p. 1010)

Today I have signed S 107, a bill to authorize the Secretary of Interior to construct the San Juan-Chama Reclamation Project, and the Navajo Irrigation Project. By my natural resources and conservation message, I emphasized the importance of water resources development to the nation, and expressed this Administration's commitment to a sound and orderly program of new projects to meet accumulated needs.

The projects authorized in S 107 were included among the major western water resource developments recommended in my conservation message as part of this program. These projects will provide major benefits to the West, and to the Nation as well as to the communities directly involved.

The Navajo Indian Irrigation Project will assist the Navajo people in making full use of their own resources to achieve a higher standard of living by providing employment opportunities in irrigation farming.

The San Juan-Chama Reclamation Project will provide water supplies needed to permit continued economic growth and development and stabilize an existing agricultural economy in the Rio Grande Basin of New Mexico.

These developments represent investments in the Nation's future that will provide major dividends in the years to come. I am especially pleased to approve this bill because I regard this legislation as the forerunner of additional authorization for western water resources development now pending in the Congress.

We are particularly glad to have the Chairman of the Navajo Indian Tribe here representing the Navajo Tribe.

OTHER STATEMENTS

Other recent statements by President Kennedy (for previous statements see Weekly Report p. 986):

May 29 -- White House announcement that a team of six American scientists was leaving for the Soviet Union on behalf of the President's Panel on Mental Retardation to learn how the Russians deal with this problem.

May 31 -- Announcement of two federal grants to help launch a three-year \$12.6 million program (called "Mobilization for Youth") proposed by New York voluntary agencies, in cooperation with the city government, to combat juvenile delinquency on New York's Lower East Side.

May 31 -- Remarks to the President's Committee on Juvenile Delinquency and Youth Crime, Rose Garden.

May 31 -- White House announcement of the release of \$50 million, by the Department of Agriculture, in contingency funds for REA electrification loans.

June 4 -- Remarks of the President and Lt. Cmdr. Malcolm Scott Carpenter, Fish Room.

June 5 -- Greetings of the President to Republic of Cyprus President, Archbishop Makarios, on his arrival at MATS Terminal and the Archbishop's reply.

June 5 -- Toasts of the President and Cyprus President Archbishop Makarios, at a luncheon, State Dining Room.

June 5 -- Exchange of letters between the President and Dr. Alan T. Waterman, director of the National Science Foundation, expressing the President's appreciation of Dr. Waterman's willingness to continue as Director of the Foundation "for a period of time after you reach the age of seventy" and Dr. Waterman's statement that he would be "happy to serve as long as you desire"; and release of an Executive Order exempting Dr. Waterman from compulsory retirement for reason of age.

June 5 -- Text of a letter from President Kennedy to Dr. Leonard W. Larson, president of the American Medical Assn., stating "if your organization (AMA) did not oppose Social Security before its enactment - only afterwards - I will be glad to point out this unique distinction at my next press conference."

June 6 -- Remarks at graduation exercises, U.S. Military Academy, West Point, N.Y.

June 6 -- Text of a letter to President Betancourt of Venezuela expressing President Kennedy's congratulations "to the people, government and armed forces of Venezuela for their action in preserving constitutional democracy against those who have attempted to overthrow your freely elected government."

June 6 -- Text of joint communique by the President and Cyprus President Archbishop Makarios, stating that a comprehensive exchange of views had "strengthened the bonds of friendship between their two countries."

June 6 -- Proclamation designating June 14, 1962, as Flag Day in commemoration of the adoption of the flag of the United States by the Continental Congress on June 14, 1777.

June 7 -- Remarks at the presentation ceremonies of the Dr. Thomas A. Dooley III Medal to Mrs. Dooley and members of the Dooley family, in the President's office.

June 7 -- Remarks at a meeting with Brookings Institute's Public Policy Conference for Business Executives and their public affairs fellows, New Flower Garden.

June 7 -- White House announcement on the President's issuance of an Executive Order creating a Board of Inquiry to report on the dispute between Republic Aviation Corp., Farmingdale, Long Island, and Lodge No. 1987 of the International Assn. of Machinists.

June 8 -- Remarks of the President and the Attorney General at presentation of Young American Medals for 1960, New Flower Garden.

June 8 -- Remarks at a meeting with group of directors and deputy directors of the Agency for International Development missions before their departure for overseas posts, New Flower Garden.

June 9 -- Amendment of Executive Order No. 11025 of June 7, 1962, on the creation of a Board of Inquiry to report on a labor dispute affecting the aircraft industry of the United States.

June 9 -- Executive Order creating an emergency board to investigate a dispute between the New York Central Railroad Company System and the Pittsburgh and Lake Erie Railroad Co. and certain of their employees.

June 9 -- Remarks at Matthew H. McCloskey Dinner, Mayflower Hotel, Washington, D.C.

June 11 -- Executive Order transferring lands between the Clark and Mark Twain National Forests (Missouri) and adding certain lands to the Hiawatha National Forest (Michigan).

June 12 -- White House announcement of the President's transmittal to Congress of amendments to the Jan. 1962 proposed budget for fiscal 1963 involving a net decrease of \$16,700,000 for the Agency for International Development.

Index to Latest CQ Coverage of Major Issues

(Dates listed in the Congressional Boxscore, inside front cover, also may be used as a guide in locating specific CQ committee and floor action stories on major legislation. For complete references to all topics, see the CQ Index, published quarterly.)

Legislation	1961 ALMANAC PAGE	1962 WEEKLY REPORT		Legislation	1961 ALMANAC PAGE	1962 WEEKLY REPORT	
		Fact Sheet	Other			Fact Sheet	Other
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Civil Defense	420	----	630	Farm Programs	104	1017	1049
Communications Satellites	1019	----	1055	Sugar	125	800	1050
Communist Passports	1017	287	----	GENERAL GOVERNMENT			
Communist Propaganda	431	----	503	Conflict of Interest	377	940	635
Foreign Aid	293	----	1007	Federal Pay Raises	----	----	398
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Military Procurement	414	----	585	House Enlargement	1024	----	429
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Transportation Policy	----	38	1069	Unemployment Compensation			457
Wilderness	442	----	853	Consumer Protection			459
				Transportation			560

FARM BILL

(Continued from p. 1049)

(R Ariz.) and Rep. William E. Miller (R N.Y.), Chairman of the Republican National Committee, were present at the meeting. The letter drew charges from Democrats of "scheming leadership" and "opposition for opposition's sake."

In reply, House Minority Leader Charles A. Halleck (R Ind.) said the Administration had been applying intense pressure on Members to support the farm bill. He cited a letter from Freeman to 30 House Republicans urging them to revolt against the GOP leadership.

Without new legislation for wheat and feed grains, the Department of Agriculture would be required to revert automatically in 1963 to the price-support and production-control systems fixed in the 1958 Agricultural Act. For wheat, the 1958 Act provided price supports and a national

minimum acreage allotment of 55 million acres -- about 20 percent more acreage than needed to fill current domestic and export requirements. Based on the size of the surplus, the wheat support price in 1963 would probably be at the statutory minimum, 75 percent of parity, compared to an actual support price of 84.5 percent in 1962 when the special wheat program was in effect.

For feed grains (corn, grain sorghums, oats, barley, rye) the 1958 Act provided no production controls at all. It set price supports for corn and lesser levels for the other feed grains, based on their feed value in relation to corn. Because of heavy surpluses corn supports in 1963 probably would be close to the 65 percent of parity minimum, compared to 74 percent in 1962 under the special corn program. (1961 Almanac p. 104; 1962 Weekly Report p. 1017)

CQ House Votes 42 through 46.

(Corresponding to Congressional Record Roll-Call Vote Nos. 114, 117, 118, 123, 124.)

House Extends Sugar Act, Approves Dominican Payment; Defeats Administration's Farm Bill by 10-Vote Margin

- 42. HR 12154. Sugar Act Amendments of 1962. O'Neill (D Mass.) motion to consider H Res 691, granting a closed rule on HR 12154. Agreed to 262-32: R 92-27; D 170-5 (ND 99-0; SD 71-5), June 18, 1962. The President did not take a position on the motion. (See story, p. 1050)
- 43. HR 12154. Dole (R Kan.) motion to recommit the bill to the Agriculture Committee with instructions to delete authority to restore to the Dominican Republic \$22,755,153 in fees collected on non-quota Dominican sugar that entered the United States between Sept. 26, 1960 and March 31, 1961. Rejected 174-222: R 145-9; D 29-213 (ND 15-127; SD 14-86), June 19, 1962. The President did not take a position on the motion.
- 44. HR 12154. Passage of the sugar bill. Passed 319-72: R 115-39; D 204-33 (ND 114-25; SD 90-8), June 19, 1962. The President did not take a position on the bill.
- 45. HR 11222. Food and Agriculture Act of 1962. Committee amendment to permit the Secretary of Agriculture, at his discretion, to permit farmers in feed deficit areas to plant as much grain acreage as they had in 1959-60. Agreed to 267-151: R 34-133; D 233-18 (ND 134-12; SD 99-6), June 21, 1962. The President did not take a position on the amendment. (See story p. 1049)
- 46. HR 11222. Findley (R Ill.) motion to recommit (kill) the Food and Agriculture Act of 1962, which provided a system of supply management controls for wheat, corn and other feed grains. Adopted 215-205: R 167-1; D 48-204 (ND 17-130; SD 31-74), June 21, 1962. A "nay" was a vote supporting the President's position.

42 43 44 45 46		42 43 44 45 46		42 43 44 45 46		- KEY -	
ALABAMA		19 Holifield	Y N ? Y N	HAWAII		Y Record Vote For (yea). ✓ Paired For. † Announced For, CQ Poll For. N Record Vote Against (nay). X Paired Against. - Announced Against, CQ Poll Against. ? Absent, General Pair, "Present," Did not announce or answer Poll.	
3 Andrews	Y N Y Y N	17 King	Y N Y Y N	AL Inouye	Y N Y Y N		
1 Boykin	? ? ? Y N	26 Roosevelt	? N N Y N	IDAHO			
7 Elliott	? N Y Y N	16 Bell	Y Y Y N Y	2 Harding	Y N Y Y N		
2 Grant	Y N Y Y N	21 Hiestand	N Y N N Y	1 Pfost	Y N Y Y N		
9 Huddleston	Y N Y Y N	18 Hosmer	Y Y Y N Y	ILLINOIS			
8 Jones	? N Y Y N	24 Lipscomb	Y Y Y N Y	25 Gray	Y N Y Y N		
5 Rains	? N Y Y N	15 McDonough	Y Y Y N Y	21 Mack	Y N Y Y N		
4 Roberts	Y N Y Y N	25 Rousselot	Y Y N N Y	24 Price	Y N Y Y N		
6 Selden	? N Y Y N	20 Smith	Y Y Y N Y	23 Shipley	Y N Y Y N		
ALASKA		COLORADO		16 Anderson	N Y N N Y	42 43 44 45 46	
AL Rivers	Y N Y Y N	4 Aspinall	Y N Y Y N	17 Arends	Y Y Y N Y		
ARIZONA		1 Rogers	Y N Y Y N	19 Chipfield	? ? N N Y		
2 Udall M.	Y N Y Y Y	3 Chenoweth	Y Y Y N Y	20 Findley	N Y N N Y		
1 Rbades	Y Y Y Y Y	2 Dominick	Y Y Y N Y	14 Hoffman	X Y N N Y		
ARKANSAS		CONNECTICUT		15 Mason	N Y ? N Y		
5 Alford	? / ? ? ?	1 Doddario	? N Y Y N	18 Michel	Y Y N N Y		
1 Gothings	Y N Y Y N	3 Giamo	Y N Y Y N	22 Springer	Y Y Y N Y		
4 Harris	Y N Y Y N	AL Kowalski	? N Y Y N	Chicago Cook County			
2 Mills	Y N Y Y N	5 Monagan	? N Y Y N	1 Dawson	? N Y Y N		
6 Norrell C.	Y N Y Y N	2 Seely-Brown	Y Y Y Y Y	12 Finnegan	? N Y Y N		
3 Trimble	Y N Y Y N	4 Sibal	? Y Y N Y	5 Kluczynski	Y N Y Y N		
CALIFORNIA		DELAWARE		7 Libonati	Y N Y Y N		
7 Cohelan	Y N Y Y N	AL McDowell	? N Y Y N	3 Murphy	Y N Y Y N		
14 Hagen	Y N Y Y Y	FLORIDA		6 O'Brien	Y N Y Y N		
2 Johnson	Y N Y Y N	2 Bennett	? N Y Y N	2 O'Hara	Y N Y Y N		
11 McFall	Y N Y Y N	4 Fascell	? N Y Y N	11 Pucinski	Y N N Y N		
1 Miller C.	? N Y Y N	7 Haley	Y N Y N Y	8 Rostenkowski	Y N Y Y N		
8 Miller G.P.	? N Y Y N	5 Harlong	Y N Y Y Y	9 Yates	? ? ? Y N		
3 Moss	Y N Y Y N	8 Matthews	Y N Y Y N	13 Church	Y Y Y Y N		
29 Saund	? X ? ? X	6 Rogers	Y N Y Y Y	10 Collier	N Y Y N Y		
5 Shelley	Y N Y Y N	3 Sikes	Y N Y Y N	4 Derwinski	N Y N N Y		
27 Sheppard	Y N Y Y N	1 Cramer	Y Y Y Y Y	INDIANA			
12 Sisk	Y N Y Y N	GEORGIA		3 Brademas	? N Y Y N		
6 Baldwin	Y Y Y Y Y	8 Blitch	? ? ? / X	8 Denton	Y Y N Y N		
10 Gubser	Y Y Y N Y	5 Davis J.C.	? X ? Y X	1 Madden	Y N Y / X		
4 Maillard	? Y Y Y Y	7 Davis J.W.	Y N Y Y N	5 Roush	Y Y N N Y		
13 Teague	Y Y Y Y N	4 Flynt	Y N Y Y N	4 Adair	? ? ? N Y		
28 Utt	Y Y Y N Y	3 Forrester	Y N Y Y N	7 Bray	? / X N Y		
30 Wilson	Y Y Y N Y	1 Hagan	? N Y Y N	11 Bruce	? ? ? N Y		
9 Younger	Y Y Y N Y	9 Landrum	? N Y Y N	2 Halleck	? ? ? N Y		
Los Angeles Co.		2 Pilcher	Y N Y Y N	10 Harvey	? Y Y N Y		
22 Corman	Y N Y Y N	10 Stephens	Y N Y Y N	6 Roudsbush	? ? ? N Y		
23 Doyle	Y N Y Y N	6 Vinson	Y N Y Y N	9 Wilson	? ? ? N Y		
				IOWA		6 Coad	Y N † Y N
						5 Smith	Y N Y N Y
						2 Bromwell	? ? ? N Y
						3 Gross	N Y N N Y
						8 Hoeven	Y Y Y N Y
						7 Jensen	Y Y Y N Y
						4 Kyl	N Y N N Y
						1 Schwengel	Y Y Y N Y
						KANSAS	
						5 Breeding	Y N Y N N
						1 Avery	Y Y Y N Y
						6 Dole	Y Y N N Y
						2 Ellsworth	? Y N N Y
						3 McVey	Y Y Y N Y
						4 Shriver	Y Y Y N Y
						KENTUCKY	
						3 Burke	Y N Y Y N
						4 Chelf	Y N Y Y N
						2 Natcher	Y N Y Y N
						7 Perkins	Y N Y Y N
						5 Spence	? N Y ? X
						1 Stubblefield	? ? ? ? X
						6 Watts	? N Y Y N
						8 Siler	Y Y Y X /
						LOUISIANA	
						2 Boggs	? N Y Y N
						4 Waggonner	Y Y Y Y Y
						1 Hebert	Y N Y Y Y
						8 McSween	Y N Y Y N

Democrats in this type; Republicans in Italics

CQ House Votes 42 through 46.

(Corresponding to Congressional Record Roll-Call Vote Nos. 114, 117, 118, 123, 124.)

42 43 44 45 46					42 43 44 45 46					42 43 44 45 46					42 43 44 45 46																				
6 Morrison	Y	N	Y	Y	N	NEBRASKA						5 Scott	Y	N	Y	Y	N	6 McMillan	?	N	Y	Y	N	2 Riley C.	?	X	?	?	X						
5 Passman	?	Y	Y	Y	Y	3 Beermann	N	Y	N	N	Y	12 Taylor	Y	N	Y	Y	N	1 Rivers	?	N	Y	Y	N												
7 Thompson	?	?	?	Y	N	2 Cunningham	Y	Y	Y	N	Y	11 Whitener	?	N	Y	Y	N	SOUTH DAKOTA																	
3 Willis	?	N	Y	Y	N	4 Martin	?	Y	Y	N	Y	10 Jonas	Y	Y	Y	Y	Y	2 Berry	Y	Y	Y	N	Y	1 Reifel	?	N	Y	Y	N						
MAINE						1 Weaver	Y	Y	Y	N	N	NORTH DAKOTA						TENNESSEE																	
1 Garland	?	?	?	?	Y	NEVADA						AL Nygaard	?	Y	Y	N	Y	6 Bass	Y	N	Y	Y	N	9 Davis	Y	?	?	?	Y						
3 McIntire	Y	Y	Y	Y	Y	AL Baring	Y	Y	N	Y	Y	AL Short	Y	N	Y	N	Y	8 Everett	Y	N	Y	Y	Y	4 Ewins	Y	N	Y	Y	Y						
2 Tupper	?	?	?	Y	Y	NEW HAMPSHIRE						OHIO						3 Frazier	?	?	?	?	?	5 Laser	?	X	?	?	?						
MARYLAND						2 Bass	?	?	?	Y	Y	9 Ashley	?	N	N	N	N	7 Murray	Y	N	Y	Y	Y	2 Baker	?	Y	Y	Y	Y						
2 Brewster	?	X	?	Y	Y	1 Merrow	?	?	?	Y	Y	11 Cook	?	N	N	N	N	1 Reece L.	N	Y	Y	N	Y												
4 Fallon	Y	N	Y	Y	N	NEW JERSEY						20 Feighan	?	Y	Y	Y	Y	TEXAS																	
7 Friedel	Y	N	Y	Y	N	11 Addonizio	?	?	?	?	?	16 Bow	?	Y	Y	Y	Y	3 Beckworth	N	N	Y	Y	Y												
3 Garmatz	Y	N	Y	Y	N	14 Daniels	?	N	Y	Y	N	7 Brown	?	N	Y	N	N	2 Brooks	Y	N	Y	Y	Y												
1 Johnson	Y	N	Y	Y	Y	13 Gallagher	Y	N	Y	Y	N	2 Clancy	?	Y	Y	Y	Y	17 Burleson	Y	N	Y	Y	Y												
5 Lankford	?	N	Y	Y	N	8 Joelson	?	N	Y	Y	N	12 Devine	?	N	Y	N	Y	7 Dowdy	?	?	?	?	?												
6 Mathias	?	Y	Y	Y	Y	10 Rodino	?	N	Y	Y	N	6 Harsha	?	Y	Y	Y	Y	21 Fisher	Y	Y	Y	Y	Y												
MASSACHUSETTS						4 Thompson	?	Y	N	Y	N	5 Latta	?	Y	Y	Y	Y	20 Gonzalez	?	N	?	?	?												
2 Boland	Y	N	Y	Y	N	3 Auchincloss	Y	Y	Y	N	Y	4 McCulloch	Y	Y	Y	Y	Y	15 Kilgore	?	Y	Y	Y	Y												
13 Burke	Y	N	Y	Y	N	1 Cabill	?	N	Y	Y	Y	23 Minsball	?	N	Y	Y	Y	19 Mahon	N	Y	N	N	Y												
4 Donohue	?	N	Y	Y	N	6 Dwyer	?	Y	Y	N	Y	15 Moorehead	?	Y	Y	Y	Y	1 Patman	Y	N	Y	Y	Y												
7 Lane	?	N	Y	Y	N	5 Frelinghuysen	?	?	?	X	?	13 Mosher	?	Y	Y	Y	Y	11 Poage	Y	N	Y	Y	Y												
8 Macdonald	Y	Y	Y	Y	N	2 Glenn	?	?	?	X	?	3 Schenck	?	Y	Y	Y	Y	13 Purcell	Y	N	Y	Y	Y												
12 McCormack	?	Y	Y	Y	Y	9 Osmer	?	Y	Y	Y	Y	1 Scherer	N	Y	N	N	Y	4 Roberts	Y	N	Y	Y	Y												
11 O'Neill	Y	N	Y	Y	N	12 Wallhauser	?	Y	Y	N	Y	16 Rutherford	?	Y	Y	Y	Y	18 Rogers	N	Y	N	N	Y												
3 Philbin	Y	N	Y	Y	Y	7 Wadnall	?	Y	Y	Y	Y	6 Teague	?	?	?	?	?	17 Bicknell	?	Y	Y	Y	Y												
6 Bates	Y	Y	Y	Y	Y	NEW MEXICO						8 Thomas	Y	N	Y	Y	Y	9 Thompson	Y	N	Y	Y	Y												
1 Conte	?	Y	Y	Y	Y	AL Montoya	Y	N	Y	N	Y	10 Thornberry	Y	N	Y	Y	Y	12 Wright	Y	N	Y	N	N												
10 Curtis	?	Y	Y	Y	Y	AL Morris	Y	N	N	N	Y	14 Young	Y	Y	Y	N	Y	5 Alger	N	Y	N	N	Y												
9 Keith	?	Y	Y	X	?	NEW YORK						UTAH						UTAH																	
14 Martin	?	Y	Y	X	?	41 Dulski	?	N	Y	Y	N	2 King	?	-	+	Y	N	2 King	?	-	+	Y	N												
5 Morse	Y	Y	Y	Y	Y	30 O'Brien	Y	N	Y	Y	Y	1 Peterson	Y	N	Y	Y	N	1 Peterson	Y	N	Y	Y	N												
MICHIGAN						1 Pike	Y	N	Y	Y	Y	VERMONT						VERMONT																	
7 O'Hara	?	N	Y	Y	N	32 Stratton	Y	N	Y	Y	Y	AL Stafford	Y	Y	Y	Y	Y	AL Stafford	Y	Y	Y	Y	Y												
12 Bennett	?	?	?	?	Y	27 Barry	?	Y	Y	N	Y	VIRGINIA						VIRGINIA																	
18 Broomfield	?	Y	N	N	Y	3 Becker	Y	Y	Y	N	Y	4 Abbitt	Y	N	Y	Y	Y	4 Abbitt	Y	N	Y	Y	Y												
10 Cederberg	Y	Y	Y	Y	Y	2 Derounian	Y	Y	Y	N	Y	1 Downing	?	?	?	?	?	1 Downing	?	?	?	?	?												
6 Chamberlain	Y	Y	Y	N	Y	26 Dooley	?	Y	Y	N	Y	3 Gary	Y	N	Y	Y	Y	3 Gary	Y	N	Y	Y	Y												
5 Ford	Y	Y	Y	N	Y	43 Goodell	?	Y	Y	N	Y	2 Hardy	?	?	?	?	?	2 Hardy	?	?	?	?	?												
9 Griffin	Y	Y	Y	N	Y	33 Kilburn	?	?	?	N	Y	7 Harrison	?	N	Y	Y	Y	7 Harrison	?	N	Y	Y	Y												
8 Harvey	Y	Y	Y	N	Y	31 King	Y	Y	Y	Y	Y	9 Jennings	?	N	Y	Y	N	9 Jennings	?	N	Y	Y	N												
4 Hoffman	?	?	?	X	?	40 Miller	Y	Y	Y	N	Y	8 Smith	Y	N	Y	Y	Y	8 Smith	Y	N	Y	Y	Y												
3 Johansen	?	Y	Y	Y	Y	39 Ostertag	Y	Y	Y	N	Y	5 Tuck	Y	N	Y	Y	Y	5 Tuck	Y	N	Y	Y	Y												
11 Knox	?	Y	Y	Y	Y	42 Pillkon	N	Y	Y	N	Y	10 Broyhill	N	Y	Y	Y	Y	10 Broyhill	N	Y	Y	Y	Y												
2 Meader	?	Y	Y	Y	Y	34 Pirnie	Y	Y	Y	N	Y	6 Poff	Y	Y	Y	Y	Y	6 Poff	Y	Y	Y	Y	Y												
Detroit - Wayne County						35 Rieblman	Y	Y	Y	N	Y	WASHINGTON						WASHINGTON																	
13 Diggs	?	Y	N	Y	N	37 Robison	?	?	?	?	Y	3 Hansen	Y	N	Y	Y	Y	3 Hansen	Y	N	Y	Y	Y												
15 Dingell	Y	N	N	Y	N	28 St. George	?	Y	Y	N	Y	7 Magnuson	Y	N	Y	Y	N	7 Magnuson	Y	N	Y	Y	N												
17 Griffiths	Y	N	Y	Y	N	36 Taber	N	Y	N	N	Y	5 Horan	?	?	?	?	?	5 Horan	?	?	?	?	?												
16 Lesinski	Y	N	Y	Y	N	38 Weis	Y	Y	Y	N	Y	4 May	Y	Y	Y	Y	Y	4 May	Y	Y	Y	Y	Y												
1 Nedzi	?	N	Y	Y	N	29 Wharton	N	Y	Y	N	Y	1 Pelly	Y	Y	Y	Y	Y	1 Pelly	Y	Y	Y	Y	Y												
14 Ryan	Y	N	Y	Y	N	New York City						6 Tollefson	Y	Y	Y	Y	Y	6 Tollefson	Y	Y	Y	Y	Y												
MINNESOTA						5 Addabbo	Y	Y	Y	Y	Y	2 Westland	Y	Y	Y	Y	Y	2 Westland	Y	Y	Y	Y	Y												
8 Blatnik	Y	Y	N	Y	N	8 Anfuso	?	N	Y	Y	N	WEST VIRGINIA						WEST VIRGINIA																	
4 Karth	Y	N	Y	Y	N	24 Buckley	?	N	Y	Y	N	3 Bailey	Y	N	?	Y	N	3 Bailey	Y	N	?	Y	N												
6 Marshall	?	Y	N	N	Y	12 Carey	Y	N	Y	Y	N	4 Hechler	Y	Y	N	Y	N	4 Hechler	Y	Y	N	Y	N												
7 Andersen	?	Y	N	N	Y	11 Celler	?	N	Y	Y	N	5 Kee	Y	N	Y	Y	N	5 Kee	Y	N	Y	Y	N												
5 Judd	Y	Y	Y	N	Y	7 Delaney	Y	N	Y	Y	N	6 Slack	Y	N	Y	Y	N	6 Slack	Y	N	Y	Y	N												
9 Langen	Y	Y	Y	Y	Y	19 Farbstein	?	X	?	Y	N	2 Stagers	?	N	Y	Y	Y	2 Stagers	?	N	Y	Y	Y												
3 MacGregor	Y	Y	N	N	Y	23 Gilbert	?	N	Y	Y	N	1 Moore	Y	Y	Y	Y	Y	1 Moore	Y	Y	Y	Y	Y												
2 Nelsen	Y	Y	Y	N	Y	22 Healey	?	N	Y	Y	N	WISCONSIN						WISCONSIN																	
1 Quie	Y	Y	N	N	Y	6 Rosenthal	?	N	Y	Y	N	9 Johnson	Y	N	Y	Y	N	9 Johnson	Y	N	Y	Y	N												
MISSISSIPPI						10 Kelly	Y	N	Y	Y	N	2 Kastenmeier	Y	Y	N	Y	N	2 Kastenmeier	Y	Y	N	Y	N												
1 Abernethy	Y	N	Y	Y	Y	9 Keogh	?	N	Y	Y	N	5 Reuss	Y	Y	N	Y	N	5 Reuss	Y	Y	N	Y	N												
6 Colmer	Y	Y	Y	Y	Y	13 Multer	?	N	Y	Y	N	4 Zablocki	?	N	Y	Y	N	4 Zablocki	?	N	Y	Y	N												
3 Smith	Y	N	Y	Y	N	16 Powell	?	N	Y	Y	N	8 Byrnes	Y	Y	Y	Y	Y	8 Byrnes	Y	Y	Y	Y	Y												
2 Whitten	Y	N	Y	Y	Y	14 Rooney	?	N	Y	Y	N	7 Laird	Y	Y	Y	Y	Y	7 Laird	Y	Y	Y	Y	Y												
4 Williams	Y	Y	Y	Y	Y	20 Ryan																													



CONGRESSIONAL QUARTERLY

The Week In Congress

Floor Action

The House of Representatives, executioner of President Kennedy's proposals for federal aid to schools and creation of an Urban Affairs Department, June 21 dealt the President another severe blow by killing his farm bill, 215-205. Forty-eight Democrats, mostly Southerners, and all but one Republican joined in opposing the measure which would have imposed stringent production controls as a condition of federal price support. In other actions, the House voted to extend the Sugar Act under a foreign quota system opposed by the Administration, and the Senate began debate on communications satellites. (Page 1049-1056)

Welfare Changes

The Senate is expected to act shortly on President Kennedy's proposed revisions in federal-state welfare programs. The bill, which has already won approval by the House and the Senate Finance Committee, lays stress on training and rehabilitation to get people off the welfare rolls and keep them off, encourages community work projects for welfare recipients, and provides additional funds for the training of welfare personnel. A Fact Sheet gives the highlights of the new program. (Page 1059)

Politics

George Cabot Lodge defeated Rep. Lawrence Curtis for the Massachusetts Republican convention endorsement for Senator. Gov. Volpe (R) was renominated by acclamation.... Rep. Stanley R. Tupper (R) defeated Rep. Peter A. Garland (R) for the Republican House nomination in Maine's new 1st District.... Court rulings on reapportionment in eight states are described.... Sen. Capehart (R Ind.) was renominated by acclamation at the Indiana Republican convention.... Alabama Republicans picked gubernatorial and Congressional candidates. (Page 1071)

Renegotiation Act

The Renegotiation Act, providing machinery for the recovery of excessive profits on defense, space, atomic energy and related contracts, expires June 30 and Congress is in the process of extending it for another two years. A Fact Sheet explains how renegotiation is carried out under the current Act. (Page 1066)

Roll-Call Votes

HOUSE: Sugar Act extension, farm bill, p. 1080.

Sen. Case Dies

Sen. Francis Case (R S.D.), 65, ranking Republican member of the Senate Public Works Committee, died June 22 of a heart ailment. Case, a Congressional veteran of 25 years, was elected to the House in 1936 and to the six succeeding Congresses (1937-51), and to the Senate in 1951 and 1956. A conservative, Case was renominated June 8 and was considered a favorite over Democratic candidate George S. McGovern for re-election. Republican Governor Archie Gubbrud was expected to appoint a successor to complete the current term.

Youth Employment

President Kennedy's proposal to create a Youth Conservation Corps for work on federal lands and a kind of "Urban Peace Corps" for public service in metropolitan areas has been approved by House and Senate Committees. The House bill, however, is currently stalled in the Rules Committee. A Fact Sheet explains the proposal and lists some of the elements of controversy. (Page 1065)

In the Committees

Committees reported bills extending the Export Control Act, abolishing the poll tax, and extending tax rates.... Estes and stockpiling hearings continued and HR 3 popped up again. (Page 1068)

Appropriations Feud

A feud between the Senate and House Appropriations Committees has stalled passage of bills providing funds needed by Government departments for current expenses and for fiscal 1963. A Fact Sheet traces the feud's development and looks at its effects. (Page 1061)