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The Public Health Service is very much aware of detergents. But the agency looks upon them as part of the overall problem of water pollution. And since it can't do anything about changing the form in which detergents are manufactured, it is trying to do something about them once they enter a sewage system.

Part of the plan, ironically, would involve using detergent properties as a cleansing agent—removing other pollutants from a water supply as well as eventually removing itself.

Economy Takes More Than Talk

EXTENSION OF REMARKS OF

HON. CARLETON J. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1963

Mr. KING of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a recent editorial from the Troy Record newspaper, Troy, N.Y., entitled "Economy Takes More Than Talk." I fully concur with the opinion expressed in the editorial, and I am pleased to call it to the attention of my colleagues in the hope that it might be a further reminder of the necessity and the urgency to curb needless expenditures. It places the responsibility where it belongs, on the Congress. The President may propose, but Congress must dispose.

The editorial is as follows:

ECONOMY TAKES MORE THAN TALK

The tumult and shouting that followed introduction of a \$98,800 million budget and the prediction that changes in the tax system would produce a total deficit of \$11,900 million has now quieted. It may be an appropriate time to offer the reminder that economy takes more than talk.

Supposing for a moment that Congress was sincerely devoted to the cause of economy—and that at times seems a dangerous assumption—the road it must travel is a difficult one. In any given year Congress may vote appropriations which will not actually be spent for several years.

It is estimated that even if the new Congress refused to appropriate 1 cent for Government operations during the fiscal year beginning July 1 various Government agencies would have \$87 billion available to spend from previously-approved appropriations.

In addition to appropriations made years in advance there are certain inescapable expenditures. The interest on the public debt is at an irreducible minimum of \$10-100 million. Much of the projected \$5,500 million spending for veterans programs involves compensation and pension payments the Government is legally bound to make. Federal grants for State relief programs require an outlay of \$3 billion while the Government outlay for agricultural price support programs is also fixed by law.

The record of previous Congresses also points out a tendency to expand on administration spending proposals. The proposed Federal pay raise introduced by the administration last year and estimated to cost \$633 million was raised to \$895 million in Congress. Agricultural conservation payments pegged at \$150 million by the administration were increased to \$250 million by the legislative branch. Congress rejected administration plans to reduce spending on National Guard and Reserve programs and voted additional funds for the RS-70 reconnais-

sance bomber and the Dyna-Soar glider programs. Finally Congress voted a \$2,300 million "pork barrel" bill for rivers and harbors work in the closing days of the session.

What the record indicates is that if Congress really wants to practice economy and not just talk about it there is only one way to do the job. It must be done on a long-term basis and must be accompanied by an insistence on either cutting back or refusing to expand existing Government programs. When this happens the tumult and shouting about economy will have some meaning.

New York Fiscal Misrepresentation: Part II

EXTENSION OF REMARKS OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. MULTER. Mr. Speaker, on February 7, 1963, I placed in the RECORD a joint statement of the New York State Democratic legislative leaders, Senator Zaretzki and Assemblyman Travia. The statement concerned the Governor's proposal to increase the motor vehicle tax, even though he had clearly stated in his campaign for reelection that he would not raise taxes.

The following joint statement by the same two State legislative leaders concerns the Governor's further attempts to justify this gross misrepresentation. It is interesting to note in this connection that in the Governor's last budget request he called this motor vehicle tax, a tax. He now quibbles that it is not a tax but a fee. Tax or fee it is money out of the taxpayer's pocket.

The joint statement of Senator Zaretzki and Assemblyman Travia follows:
JOINT STATEMENT BY SENATOR JOSEPH ZARETZKI AND ASSEMBLYMAN ANTHONY J. TRAVIA, DEMOCRATIC LEGISLATIVE LEADERS

The "compromise" motor vehicle tax increase legislation suggested by the Governor is no compromise. He still intends to gouge his \$48 million increase out of the tax-paying public. It is a clear attempt to saddle the small car owner with the entire load. This is another example of his soak-the-poor policy.

Let's immediately call this proposal exactly what it is—the Cadillac bill.

Under the terms of the ridiculous compromise, if the one fee is set at \$26, the Cadillac and other big-car owners will not pay a single cent more than they have been paying. If the single fee is set at \$25, they will in fact pay 5 percent less.

The small car owner, however, will pay an increase ranging up to 225 percent if the fee is set at \$26 and 213 percent if it is established at \$25. Thus, the taxpayer who cannot afford a higher priced car or who has purposely gone to the compact and small car field as an economy measure will be stripped of his short-lived savings and will foot the entire \$48 million bill under this proposal. This is scandalously highhanded treatment and must be vigorously opposed and defeated on its face.

But sight must also not be lost of the fact that there can be no compromise with deception at all, and no motor vehicle tax hike can be accepted.

Last October the Governor gave his pre-election promise not to increase taxes if he

were reelected, and he must be made to live up to that promise for the sake of citizen respect for the integrity of the office of Governor of New York State.

The public knows the Governor reneged on his solemn promise, and now there is proof that he was being deliberately deceptive during last fall's campaign. For the Governor's own legislative leader, Speaker Carlino, documented that himself, if inadvertently, just this past Sunday with his remark to reporters, and we quote, "Raising charges for liquor licenses and auto registrations has been discussed for 2 years." Discussed by and with whom? Certainly not by the Governor with the public. Instead, by the Governor in consort with his inner sanctum of executive and legislative advisers.

We ask, where was the Governor's courage last fall when he had these tax increases in his back pocket and blandly told the voters he had no intention of raising taxes during his entire second term? Deception is no substitute for courage.

Full Military Honors for 11 Americans

EXTENSION OF REMARKS OF

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. BURKE. Mr. Speaker, today a group burial service with full military honors for 11 young Americans who died in the crash of a B-25 bomber during World War II in New Guinea was held at the Arlington National Cemetery. Protestant, Catholic, and Jewish services were conducted in the Fort Myer chapel and the services then moved to the gravesite at section 34, Arlington National Cemetery. The three chaplains officiating were Lt. Col. Harry P. Henderson, U.S. Air Force, Protestant; Capt. Thomas J. Moran, U.S. Air Force, Catholic; and Capt. Ervin Preis, U.S. Army, Jewish.

Taking part in the ceremony were: A one-platoon honor escort from the 1st Battle Group, 3d Infantry—The Old Guard—Fort Myer, Va.; music by the U.S. Army Band; two caissons drawn by horses; three volleys by seven-man firing party; the playing of "Taps" by bugler.

The names of men are as follows: Sgt. Jack E. Beals, West Hollywood, Fla.; S. Sgt. Marvin Culbreth, Dearing, Ga.; Sgt. Harold B. Davis, Zanesville, Ohio; Lt. Angelo C. Dellisante, Corning, N.Y.; Sgt. Charlie L. Fann, Murfreesboro, Tenn.; Lt. Walter R. Gerry, East Providence, R.I.; Sgt. Raymond F. Greene, Norwood, Mass.; Cpl. Edward R. Howard, Hingham, Mass.; Capt. Rudolph W. Johnson, Jr., Muskegon, Mich.; Sgt. Milton S. Miller, Bridgeport, Conn.; and Capt. Lamar S. Russell, Goldhill, N.C.

Members of the families who attended are: Mrs. Mildred E. Thomas, mother of Jack E. Beals; Mr. Elbert D. Culbreth, brother of Marvin E. Culbreth; John B. Davis, father of Harold B. Davis; Philip B. Dellisante, brother of Angelo C. Dellisante; Mr. Houston Fann, father of Charlie L. Fann; Walter R. Gerry, father of Walter R. Gerry; Maude R.

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Greene, mother of Raymond F. Greene; Carol Robinson, sister of Edward R. Howard; Rudolph W. Johnson, Sr., father of Rudolph W. Johnson, Jr.; Minna B. Miller, sister of Milton S. Miller; and Betulah S. Russell, mother of Lamar S. Russell.

Also in attendance were: Mr. and Mrs. Richard Greene of Norwood, Mass., and Mr. Leslie Greene of Racine, Wis.

These brave young Americans gave their full measure of devotion to our country. Their remains are in two caskets buried in the same grave. Protestant, Catholic and Jewish boys who died together that this Nation of ours might live. One headstone bearing the name of each young man will mark the final resting place in the Arlington National Cemetery. No words of mine could adequately send out the message or lesson to our countrymen that has been laid down by these fine young Americans. I know the entire Nation mourns their loss.

Benefits and Burdens

EXTENSION OF REMARKS

OF

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. MOSS. Mr. Speaker, the Wall Street Journal recently published a letter from one of my constituents on the subject of Federal spending. I found the letter so articulate on this much-discussed subject, that I offer it for your consideration.

The letter follows:

BENEFITS AND BURDENS

EDITOR, THE WALL STREET JOURNAL:

In your sustained attack on Federal Government spending, why not use a rifle rather than a blunderbuss?

Once again you have editorialized with your eyes glued to the lower half of your bifocals. You quote the President's statement that "The quality of American life must keep pace with the quantity of American goods" (Custodian of Quality, January 16). Then you say: "Fair enough, but by what magic is the Federal Government able to improve the quality of life merely by spending money?"

Let me show you how.

In the west end of downtown Sacramento, we are witnessing a transformation of what used to be a depressed and depressing slum-like neighborhood into an area of great beauty and utility. Private corporations, as well as Government agencies, are pouring millions of additional dollars into new construction in the redevelopment area. Yet without the lure and aid of Federal grants, this mammoth project would still be a dream.

Similarly Federal aid has made a working and expanding reality of the vast California Central Valley project with its dams and irrigation canals. People of the Nation and the world are now fed and clothed by the output of this valley.

Likewise Federal funds have helped provide a network of superhighways for the city, State, and Nation. In July, a federally financed new deepwater ship channel will link Sacramento to the Pacific Ocean. Thus fruits of the valley will soon be reaching mil-

lions at reduced transportation cost and industry will have room to expand.

It is nonsensical to say that these improvements and undertakings could, should, and would be accomplished by local governments or private firms. You know they would not.

On the other hand, no thinking person assumes that these Federal benefits are free. However, it is evident that people—psychologically being what they are—and local taxing and borrowing limits being what they are, only the mechanics of Federal financing do in fact effectively harness national energies and consequently develop resources which are beyond strictly local capacities. Never forget that State boundaries are man-made political lines. They simply do not define the limits of economic and social needs in the U.S. free market area.

Ultimately we, and maybe our children's children, will pay for the federally financed improvements. But it is much better to enjoy the benefits and to endure the burdens, than to be relieved of the burdens and be deprived of the benefits as well.

NORBERT J. MIETUS.

SACRAMENTO, CALIF.

Red Troops in Cuba

EXTENSION OF REMARKS

OF

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. BURKE. Mr. Speaker, may I call to your attention and that of my colleagues here in the U.S. House of Representatives an article which appeared in the Boston Herald on Tuesday, February 12, 1963, regarding Red troops in Cuba.

It reads as follows:

RED TROOPS IN CUBA

Is what Under Secretary of State George W. Ball calls the hectoring of administration on the Cuba issue being overdone? We suspect that it is.

The administration has satisfied most of its critics that Soviet nuclear weapons have been withdrawn from the Red-held island. Complaints now are being directed chiefly at the 17,000-or-so Soviet troops that remain as "instructors."

Premier Khrushchev has promised that they, too, will be removed "in due course." And President Kennedy is trying to hurry the process.

But is it something that has to be done this week or this month? Is the timing of their departure—provided they do depart—important enough to justify another ultimatum and another exchange of nuclear threats? We doubt it.

A hundred years ago, while the United States was torn by Civil War, France set up a puppet government in Mexico under Maximilian of Hapsburg and supported it with 30,000 French troops. As soon as the Confederacy was defeated the United States demanded that Napoleon III get his troops out of there and backed up the demand by sending General Sheridan to the border.

But it was the beginning of 1866 before Napoleon came up with an "in due course" promise, and it was more than a year after that before the last French soldiers moved out of Mexico. And we didn't feel it necessary to go to war with France or Mexico in the interim.

The Monroe Doctrine does not by precedent demand an instant retreat from us.

If any hard evidence develops that the Soviet troops in Cuba are being readied for

offensive operations, or even that they are digging in to stay, the United States may be forced to act. But the President insists that neither of these conditions now exists. He is moving in an orderly way to get the interlopers removed. For the moment that should be enough.

The hectoring should stop.

President Kennedy's Socialized Medicine Bill

EXTENSION OF REMARKS

OF

HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1963

Mr. DEROUNIAN. Mr. Speaker, the American people are aptly aware of the fact that the New Frontier is confused in almost every department. President Kennedy's new, socialized medicine proposal is no different. It is going to cost more money and the hard-working man will have to pay the bill.

An excellent article by Lyle C. Wilson in the February 25 issue of the Washington Daily News, and an editorial in the same paper of the same date, spell out what recipients of the President's impractical plan will have to pay for inferior medical care:

ONLY WAY IS UP

(By Lyle C. Wilson)

There will be bitter dispute over President Kennedy's new medicare bill. But there is one rather appalling factor about which there cannot be much dispute, if any.

It is this: The cost of medical and related benefits proposed for our senior citizens would go up and up and up some more. There is a top limit, no doubt. But it is not yet in sight.

The cost must go up because that is the way it must be with a graduated tax. The record will show that graduated taxes sometimes go down but that more frequently, and usually, they go up, and steeply. This has been true of the personal income tax rates. For example: In 1930, the personal income tax did not apply to income under \$4,000. On income between \$4,000 and \$6,000, in 1930 the rate was 1½ percent. The 1962 rate was 26 percent.

In 1937-39, the social security tax rate was 1 percent each on employee and employer up to a maximum of \$3,000 annual earnings. In 1962 each paid 3½ percent on maximum earnings of \$4,800. On January 1, 1963, the social security tax for each was hiked to 3½ percent on \$4,800. The employee who paid \$150 in 1962 will pay \$174 this year, an increase of \$24. Ditto for the employer.

Barring changes by Congress, this rate will hold through 1965. In 1966 the rate will go to 4½ percent each on employer and employee. In 1968 and thereafter the rate will be 4½ percent.

The proposal Mr. Kennedy sent to Congress last week would require an immediate additional increase of one-fourth of 1 percent and would raise the maximum of taxable income to \$5,200. In the light of the record of the graduated tax for whatever purpose, it scarcely can be argued that the rate increase proposed by the President is any more than merely a beginning of a tax spiral in behalf of persons 65 years of age and over.

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if in any one year such income exceeded 150 percent of the 5-year average.

Representative MONAGAN's bill should be considered in any comprehensive tax reform program enacted by Congress. While the number of American taxpayers it would affect might be small, the importance it would have in the cultural life of the Nation would be of a magnitude beyond mere numbers.

The Government should take the tax brake off creative artists with fluctuating incomes. In editorials in April 1961 and February 1962 we argued that creators should be given tax considerations at least equal to inventors and oilmen.

This is what happens: A man doesn't turn out novels or plays or landscape paintings like washing machine gears. Frequently a writer will spend 5 years groaning over a novel, years in which he is in no way protected by Federal employment regulations, unemployment benefits, etc. At the end of 5 years, by living on publishers' advances—if lucky—or by sheer material ingenuity, his book gets on the market.

For perhaps 10 months or a year, it sells well and the author enjoys the somewhat rare experience of receiving checks. And then the Internal Revenue Service steps in and wallops him with one of those sky-high percentile brackets because he made a lot of money in 1 year. The fact that the writer had little or no income in the 5 years the book was in gestation, or that he may have a greatly reduced income in the next 5 years or such time that his next work is published, is ignored by current regulations.

One result of this tax attitude, at least for the relatively few prosperous artists, has been to send them scurrying to foreign tax havens. Another has been to place a virtual penalty on prolificacy. A writer or painter, for example, may withhold his works because to sell them all in 1 year would incur a crushing tax burden.

Another approach to this problem which Representative MONAGAN might consider would be to tax incomes from works of art on a capital gains basis instead of as ordinary income. Oil men get a 27 percent depletion allowance and Congress is acrawl with oil industry lobbyists.

A Congressman who supports those who may be right, but have not organized might, stands applauded.

Bobby Kennedy in 1968: The Buildup Has Begun

EXTENSION OF REMARKS
OF

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from U.S. News & World Report of March 4, 1963:

BOBBY KENNEDY IN 1968: THE BUILDUP HAS BEGUN

A prominent playwright, long a personal friend of President Kennedy, now says the machinery is in motion to elect Attorney General Robert Kennedy to the White House in 1968.

Gore Vidal, writing in the March issue of Esquire magazine, assumes John F. Kennedy's second term, then turns to the campaign that will follow, and concludes:

"Bobby will have the support of the Kennedy political machine, easily the most effective in the history of the country. It is slick and up to date; every public-relations angle from comic books to feature-length films will be exploited. Backed by the President and the machine, with an image already floodlit by favorable publicity, one cannot imagine any Democrat seriously opposing Bobby at the 1968 convention."

Mr. Vidal, himself active in politics, has visited President Kennedy a number of times since 1960. Discussing Robert Kennedy's future role, the author says: "The buildup for 1968 has begun. It now follows a familiar pattern."

Mr. Vidal cites Robert Kennedy's books, his world travels, his civil-rights activities, and other elements as factors in a campaign to give him wide appeal.

"There is no doubt," he writes, "that when Bobby goes before the convention in 1968 he will seem beautifully qualified and from the point of view of sheer experience, he will be qualified. But there are flaws in his persona hard to disguise. For one thing, it will take a public relations genius to make his appeal lovable. He is not. His obvious characteristics are energy, vindictiveness, and a simple-mindedness about human motives which may yet bring him down. To Bobby the world is black or white. Them and us. He has none of his brother's human ease; or charity."

Politics First

EXTENSION OF REMARKS

OF

HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1963

Mr. DEROUNIAN. Mr. Speaker, it is strange that those who approved constructive criticism when we had a Republican President toe the party line when the President is of the Democratic Party.

Henry J. Taylor, in last Monday's Washington Daily News, discussed just such a situation:

FULBRIGHT AND CUBA

(By Henry J. Taylor)

Senate Foreign Relations Committee Chairman J. WILLIAM FULBRIGHT, Democrat, of Arkansas, fire in his TV eye, tells critics of the Kennedy-Cuba policy not to rock the boat. Riddle: What boat?

The Cuba policy is not a policy, it is a disaster.

Senator FULBRIGHT's current rebuff to inquiring people typifies exactly the kind of speechmaking that has us trapped and allows such manipulated news to function.

It takes advantage of the fact that our public's memory is short. Senator FULBRIGHT's tragic wrongheadedness about Cuba was widely publicized at the time of the Bay of Pigs. How many remember it today?

Whatever we are doing in Cuba is making more leeway than headway in bucking the wind. And any politician in either party who says "Don't rock the boat" as if we were securely meeting this peril is performing a distraction from our drift onto the shoals.

Senator FULBRIGHT's part in all this is sadly typical. Right about the Nazi menace, but never equally right about the Soviet, he has been dead wrong about Cuba from the very beginning.

He opposed any kind of intervention there unless we could wait in with a group of

Latin American states, as if our country could order such a tidy state of affairs. In the absence of "collective security," Senator FULBRIGHT preferred to take his chances on Castro. That is the record.

However, we do not have collective security in Latin America. We have collective insecurity. We are wise to be attached to the principle, as in NATO. But there is no NATO in Latin America and depending on collective security whenever this involves numerous weak and shaky countries means we flounder into exactly what Senator FULBRIGHT helped to give us in Cuba.

When the Arkansan discovered that even a trickle of intervention was moving toward the Bay of Pigs he, among others, demanded that the White House stop our indispensable part in it, call off the U.S. air cover over the beaches, and back away from even the incredibly fragile plans. Senator FULBRIGHT, who now says, "Don't rock the boat," has much to answer for in this.

He is on record as follows: "I am sure that if American Armed Forces were used unilaterally the reaction elsewhere in the Western Hemisphere would be so severe that we would lose more in other countries than we could gain in Cuba."

How could America conceivably lose more in other countries than we have lost throughout Latin America and by the subsequent Soviet military lodgement 90 miles from our shores?

The whole perilous situation, nevertheless, has been reduced to a well-planned press campaign devised and carried out to achieve a clearly defined psychological end, viz, that all is under control.

Khrushchev is not being fooled. Cuba-based Red subversives in Venezuela, Brazil, Colombia, Chile, etc., are not being fooled.

Our "don't rock the boat" politicians are cooing to the world's most dangerous dove.

Voters and Budgets

EXTENSION OF REMARKS

OF

HON. GEORGE M. WALLHAUSER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. WALLHAUSER. Mr. Speaker, as we, the Congress, prepare to act on the appropriation requests of the various departments and agencies of the Federal Government, we should give deep thought to the expressions contained in a recent editorial of the Newark (N.J.) Evening News. Under leave to extend my remarks, I now place that editorial in the RECORD.

VOTERS AND BUDGETS

Public officials often blame the spiraling cost of Government on public demands for increased service. This claim must be regarded with some reserve in view of what happens annually in New Jersey's school budget elections.

Of 272 budgets submitted in 13 northern and central New Jersey counties, 69 were rejected by the voters. In Bergen County, 17 out of 66 went down; in Morris, 14 out of 38. Voters set a Middlesex record with nine rejections. Seven were vetoed in Passaic. In some municipalities such a thing had never happened before.

These disapproving voters are not enemies of education. They want their children to have good schools. But they have to earn the money paid out in taxes for school support and they are not being unreasonable

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when they demand a dollars' worth of education for their tax dollar. In fact, when the rejected budgets are properly trimmed they almost always pass when resubmitted.

New Jersey taxpayers appear to be less tolerant of uninterrupted rises in government costs than some public officials think. Their prudent approach to school budgets inspires interesting speculation about what would happen to a lot of municipal budgets—the State budget, too—if they had to be submitted to referendum.

And maybe they ought to be.

Mr. Speaker, the editorial, plus the actions of New Jersey voters, inspires me to ask: What would happen if our ever-mounting Federal budgets were submitted directly to the voters for approval or rejection?

The 15th Anniversary of the Communist Takeover of Czechoslovakia

EXTENSION OF REMARKS

OF

HON. ABNER W. SIBAL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. SIBAL. Mr. Speaker, February 24th was the 15th anniversary of the Communist takeover of Czechoslovakia. The wretchedness of life under the Red regime needs no particular review at this time. It is well known, and Czechoslovakia is not alone among the nations of the world who suffer life under communism. She is but one of a tragic list of oppressed nations, all of which stand as cruel illustrations of the harshness, moral bankruptcy, and utter inability of the Communist system to meet the economic or spiritual needs of mankind.

An example of the complete callousness of the Red regime in Prague is its current practice of extorting American dollars from American citizens who have relatives in Czechoslovakia. This is a practice which Members of Congress should know about and which, in my opinion, our Government should stop.

Because of the economic misery in Czechoslovakia, American relatives are anxious to send gift packages of American goods to their close of kin. The Communists are making this impossible, however, by placing an astronomical duty on new goods and an almost prohibitive duty on used clothing.

The purpose is to extort dollars out of Americans. If Americans wish to help their needy relatives and friends, they must send dollars with which Czechoslovakian citizens can buy Czechoslovakian goods, if and when available, in a government store called Tuzex.

Through this process, the Red regime accumulates dollars which it uses to spread anti-American propaganda and to promote subversion in Latin America and elsewhere in the world.

Our balance-of-payments problems are so severe that we restrict the amount of goods our own citizens can bring back duty free. It is folly, Mr. Speaker, to tolerate this open leak of dollars, which

not only further weakens the international position of the dollar, but directly fills the coffers of our enemies. Let us put a stop to this either by sending the direct transfer of American dollars to the Communist regimes or by insisting that gift packages of American goods be allowed to go directly to needy citizens of those countries.

U.S. Orchestra Players Sing an Unhappy Song

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1963

Mr. THOMPSON of New Jersey. Mr. Speaker, during the 87th Congress, the Select Subcommittee on Education, of which I was the chairman, conducted investigative hearings into the economic conditions in the performing arts. We undertook the investigation under authority of a resolution sponsored by our colleague, the Honorable ROBERT N. GIAMMO.

We found that the future of fine arts in the United States is in great danger because of the necessity for performers to earn a living. The economic conditions are concisely summarized in an article by Paul Affelder in the National Observer for January 28 of this year. This article has just been brought to my attention, and I include it as a part of my remarks:

UNDERPAID PIPERS—U.S. ORCHESTRA PLAYERS SING AN UNHAPPY SONG

In Philadelphia, union musicians and Philadelphia Orchestra officials haggled over the date when contract talks for next season should begin. The dispute led to cancellation of a 5-week Latin American tour; set for last summer.

In Fort Wayne, Ind., union musicians boycotted the Fort Wayne Philharmonic's first four concerts of the season, on grounds they wouldn't play with non-union members. With the issue settled, the union players are slated to return to the orchestra this week.

In Chicago cancellation of the Chicago Symphony's 1962-63 season was narrowly averted last fall (it was announced then rescinded) when union musicians staged a concerted campaign for higher pay.

These recent developments underscore what musical observers have known for some time: American musicians, long unhappy with their financial lot, are becoming restless.

Sometimes their restlessness has become a major issue. A year before the Chicago dispute, for instance, the Metropolitan Opera canceled its 1961-62 season in the midst of a musicians' pay wrangle, then reset it when the issue was settled.

At about the same time, a strike by members of the Philadelphia Orchestra caused its season to begin 2 weeks late, and a similar walkout by the New York Philharmonic's musicians brought a week's interruption in its concerts.

THEY OPERATE AT A LOSS

In each of these disputes, the musicians received more money—but not as much as they'd asked. This wasn't a matter of nig-

gardiness, but of two hard facts in American music making: Nearly all symphony orchestras and opera companies operate at a loss, and the musicians who play in them are underpaid compared with many other lines of work.

Orchestral balance sheets are frightening things. Salaries to artists and other personnel, rental of auditoriums, fees for performances of modern compositions, and many other expenses far outweigh income from ticket sales. Tickets, in fact, seldom account for more than 50 percent of maintenance costs—and never balance them, even with consistently full houses.

Take the Minneapolis Symphony Orchestra, for example. Last year its total receipts (all but about \$30,000 of them from ticket sales) were \$452,291. This figure didn't cover even the \$480,335 the orchestra spent on salaries for musicians and conductors, plus fees for guest artists and new music. On top of that outlay were expenses for such items as rent, office salaries, and advertising, making a total expenditure of \$786,147.

WHERE THE MONEY COMES FROM

The upshot is that Minneapolis, like most of the Nation's orchestras, must make up its resulting \$333,856 deficit from sources like special events, donations from the general public, income from endowment funds, or subsidies from cities, counties, or States. Subsidies, while growing, still are small: The largest reported in a recent survey were \$130,000 annual grants to the orchestras of Baltimore and Buffalo.

This obviously puts a crimp in the amount of money available to pay musicians. The most pertinent statistics have been compiled by the American Symphony Orchestra League, which surveys conditions in the country's 1,200-odd orchestras. Approximately one-third of these orchestras are in cities with less than 50,000 population.

Exclusive of college groups, the league breaks down the Nation's orchestras into three categories—"community," "metropolitan," and "major."

The average musician in a community orchestra—there are 900 such groups, operating on annual budgets of less than \$100,000—is an amateur. But a few key positions are held by professionals. It's estimated that some 6,600 professionals play in such orchestras—about 12 percent of the orchestral total membership—and receive an average \$300 a year.

THE PLAYERS' BACKGROUND

These professionals obviously depend on other employment for their principal income, though many would be full-time musicians if they could earn a living in the field. Many of them are music teachers. Their backgrounds are varied: Some are young, beginning players; others are former full-time players who gave up full-time performing for financial reasons; still others prepared for music as a career but never pursued it.

The metropolitan orchestras don't pay too much better. There are 21 of them, operating on annual budgets between \$100,000 and \$250,000. They're in larger cities than the community orchestras—places like New Haven, Omaha, Providence, San Diego, and Honolulu—and play longer seasons and more ambitious programs.

"We estimate," says Orchestra League Executive Secretary Helen M. Thompson, "that among the 1,300 musicians playing in the 21 metropolitan orchestras, there are at least 1,400 who are qualified and seek to earn their main income from the performance of music. On the average, they receive about \$1,000 a year in playing fees in the metropolitan orchestras."

Finally, there are 28 major American orchestras. They function on more-or-less full time, pay their musicians on a weekly

the frosty excesses of a foreign aid program paid for chiefly by Americans—who already are paying for their own aid to places they at least can decide whether or not to aid.

UNITED NATIONS SPECIAL FUND: A NO-FRILLS, LOW-COST APPROACH TO SELF-HELP FOR UNDERDEVELOPED COUNTRIES

1. Help, sometimes, is no help. A gift, a loan or an investment in a developing country might be largely wasted if that country does not have trained people to put to work the help they get. Even if there are trained people, they will not make the best use of the help they receive if they don't know what resources their country has, what can be developed and what cannot; white elephants and castles in Spain can waste a lot of money. Moreover, unless a developing country can show it has resources ripe for development, that country will not attract investment; businessmen—local as well as international—don't launch into the unknown with their shareholders' money.
2. This vital preinvestment work—producing technical and managerial skills, proving resources, stimulating investment—is the main business of the United Nations Special Fund.
3. The Special Fund runs surveys that reveal what wealth exists in a nation's land, water, minerals, oil, forests.
4. The Special Fund helps set up programmatic units of experts who can put first things first on the priority lists of developing countries.
5. The Special Fund helps set up schools for administrators, managers, technical experts, foremen and ordinary craftsmen even.
6. The Special Fund helps with teachers' colleges because without high school graduates, no country can beat poverty.
7. All this is essential preinvestment work. Its cost, like seed money, is little. It yields rich and indispensable harvests.
8. The Special Fund is not charity. The country that receives nearly always gives more than it receives—to the project on its own soil and to projects in other less fortunate lands. Further, the Special Fund mobilizes additional resources from European and other industrialized countries, some of whose contributions are substantial.
9. As a result, for every dollar's worth of project completed with Special Fund participation, the United States pays only 17 cents. Other forms of economic aid often cost the United States a full hundred cents to the dollar. The contribution of the United States to the Special Fund's 246 projects thus far approved will reach \$84 million.¹ The total cost of these projects is \$496 million¹ and their yield is incalculable.
10. Every Special Fund operation is a telling lesson in the no-nonsense, no-frills, self-help approach to economic development.
11. The Special Fund is welcome wherever it works.

SEPARATION OF CHURCH AND STATE

(Mr. SILER (at the request of Mr. DEROUNIAN) was given permission to extend his remarks at this point in the Record and include extraneous matter.)
Mr. SILER. Mr. Speaker, I notice that one of the great departments of our Federal Government, Health, Education, and Welfare, has allotted a sum of \$250,000 to the gentleman from New York [Mr. POWELL] for aiding him in

trying to solve the problem of juvenile delinquency. The gentleman from New York [Mr. POWELL] is pastor of a large Baptist Church in New York City and part of the allotted fund is to be paid to his own church as rent for the basement of the church building that will be used as a site for this work, a total of \$17,000 being earmarked for such rent.

Now as an active Baptist myself, I know how zealously and jealously we Baptists always try to guard against any breach whatsoever in the wall of separation between church and state. If the Powell church had been a Catholic Church, instead of a Baptist Church, we Baptists and many others of similar conviction would have been up in arms because of this use of public tax money indirectly for a sectarian purpose. We would have decried the use of sectarian property for governmental functions, especially at what appears to be a very lavish outlay of rental consideration. And I certainly think we would have been amply justified in our criticism of this kind of public tax money and of this manner of governmental use of a specific church building. If these things might have been considered out of place in relation to a Catholic Church, then they are equally out of place in relation to a Baptist Church. I think we should be fair, unprejudiced, and always quick to condemn in our very own circle that which we might readily condemn if it involved another circle down the street from us. Therefore, I would like to put myself on record as a stringent and uncompromising critic of the use of this public tax money through the Department of Health, Education, and Welfare for rent of a Baptist Church basement at \$17,000, both because of the public tax money involved and the governmental function to be pursued in the church mentioned. Doubtless there are 1,000 suitable places in New York City that are neither sectarian nor of any religious relationship whatever which might have been used for the money and purpose involved in this instance. Why not avoid the very appearance of evil? Shades of Roger Williams, the original Baptist leader in America, let us have a completely free church or churches in a completely free state—not a tax-subsidized or tax-sustained church in some kind of sectarian state here in our country.

(Mr. COLLIER (at the request of Mr. DEROUNIAN) was given permission to extend his remarks at this point in the Record and include extraneous matter.)

[Mr. COLLIER'S remarks will appear hereafter in the Appendix.]

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the news today carries a story that a top Communist in Cuba, Raul Castro, admits only Russian help keeps the Cubans alive. Thus, the Communist government in

Cuba becomes one of the few countries in the world in which there has been food rationing, and now clothing rationing has been added to their problems. All of which indicates that the pressures which have been applied to the Communist government of Cuba are having some desired effects from the U.S. standpoint.

There are some who continue to engage in what I call the numbers game, how many Russians and Chinese in Cuba; or who continue to engage in a game of having intelligence information which is better than that of the United States about what is going on with respect to the Communist movements in Cuba or other places around the world. I have two observations to make for people who are still interested in the past or determining exactly Russian actions in Cuba. One is that we have enough congressional investigations going on now—one man or otherwise—to satisfy the most partisan and the most meticulous on those questions.

The second observation is, as our President has said, the danger is not in whether there is one soldier or not in Communist Cuba—the danger is the fact that communism exists in Cuba and it is the base for subversion in the entire hemisphere, therefore all of our policies must be directed to the eradication of that Communist government and that cancer. With this, all of us can agree.

The time has come for us to take those additional actions which would hasten that day of deterioration and final eradication of the Communist government in Cuba. It is heartening, Mr. Speaker, to know that the Cuban problem will be on the agenda of the next conference of the American governments that will take place at Costa Rica.

It is also encouraging, Mr. Speaker, to know that the Organization of American States continues its keen awareness of the Communist offensive in the Western Hemisphere. By resolution of the eighth meeting of Consultation of Ministers of Foreign Affairs held at Punta del Este, Uruguay, in January 1962, a special consultative committee on security was created. This advisory body, made up of experts, was deemed necessary to advise member governments which might require and request assistance in the common goal of fighting the subversive action of international communism and preserving democracy in the Americas.

That committee has made several reports and important recommendations for the consideration of the American governments. In light of the coming meeting, and because of their very nature, these recommendations are important. In its initial general report of 1962, the special consultative committee on security recommended as follows:

V. RECOMMENDATIONS

The recommendations set forth below are the recommendations that the committee, in this first stage of its work, has considered pertinent with respect to resolution 112(c) of the eighth meeting of consultation of ministers of foreign affairs. The first recommendations are restricted to the measures that the American states should take to counteract the subversive action of interna-

tional communism; the second, to other aspects of the problem contemplated in Resolution II of Punta del Este.

A. MEASURES TO COUNTERACT SUBVERSIVE ACTIVITIES

First. According to resolution II of the eighth meeting of consultation, the committee is to submit to the Council of the Organization in this report any general recommendations it considers pertinent in this initial stage of its work regarding measures that should be taken with respect to the subversive action of international communism. To that end, the committee carefully examined the efforts that have been made in the past to combat and to eradicate from this hemisphere subversive activities directed, assisted, or instigated by extracontinental powers, designed to replace our democratic institutions with totalitarian ideologies and forms of government.

Second. This almost uninterrupted struggle against subversive action has now entered its third decade. When the activities of the Axis agents were involved, the system of security against subversion functioned satisfactorily and gave satisfactory results. The first three meetings of consultation recommended the various kinds of internal measures that each state should take to prevent and punish espionage, sabotage, propaganda, and the other subversive activities, and those that should be taken to insure the degree of international cooperation required for the effective operation of the system. The earnestness with which the governments adopted measures and cooperated with each other made it possible to check Nazi-Fascist subversive action in the Western Hemisphere effectively.

3. Unfortunately, the situation has been, and continues to be, entirely different in the matter of the fight against the subversive action of the international Communist movement. It cannot be denied that not only have the results obtained in World War II not been obtained in this matter, but the Sino-Soviet powers have been able to carry on their offensive largely unimpeded in several countries, and a beachhead has been established in American territory, which constitutes a very grave threat to the security of the hemisphere. This development of the Communist offensive is contrary to the objectives and decisions that have appeared in resolutions adopted by the Inter-American Conferences and Meetings of Consultation since 1948. For purposes of the recommendations stated below, the Committee deems it advisable to pause here in order to quote the pertinent sections of the above-mentioned resolutions.

4. When the problem of the preservation and defense of democracy against the threat of subversive action by international communism was presented for the first time at the Conference of Bogotá (1948), the American republics resolved:

1. To reaffirm their decision to maintain and further an effective social and economic policy for the purpose of raising the standard of living of their peoples; and their conviction that only under a system founded upon a guarantee of the essential freedoms and rights of the individual is it possible to attain this goal.

2. To condemn the methods of every system tending to suppress political and civil rights and liberties, and in particular the action of international communism or any other totalitarian doctrine.

3. To adopt, within their respective territories and in accordance with their respective constitutional provisions, the measures necessary to eradicate and prevent activities, directed, assisted, or instigated by foreign governments, organizations, or individuals tending to overthrow their institutions by violence, to foment disorder in their domestic political life, or to disturb, by means of

pressure, subversive propaganda, threats, or by any other means, the free and sovereign right of their peoples to govern themselves in accordance with their democratic aspirations.

4. To proceed with a full exchange of information concerning any of the aforementioned activities that are carried on within their respective jurisdictions.

5. The Fourth Meeting of Consultation of Ministers of Foreign Affairs (Washington, 1951), convoked specifically because "the growing threat of international Communist aggression has demonstrated the urgent necessity that the free nations of the world determine the most effective methods for preserving their freedom and independence," and "the need for adopting measures to insure the economic, political, and military defense of this hemisphere is urgent and of common interest to the American Republics," resolved:

1. To recommend to the Governments of the American States:

(a) That, mindful of their unity of purpose and taking account of the contents of Resolution VI of the Second Meeting of Consultation in Havana and Resolution XXXII of the Ninth International Conference of American States in Bogotá, each American Republic examine its respective laws and regulations and adopt such changes as it may consider necessary to assure that the subversive activities of the agents of international communism, directed against any of them, may be adequately prevented and punished;

(b) That, in accordance with their respective constitutional provisions, they enact measures necessary to regulate in the countries of America transit across international boundaries of those foreigners who there is reason to expect will attempt to carry out subversive acts against the defense of the American Continent; and

(c) That, in the application of this resolution, they bear in mind the necessity of guaranteeing and defending by the most efficacious means the rights of the human person as well as their firm determination to preserve and defend the basic democratic institutions of the peoples of the American Republics.

For the purpose of facilitating the fulfillment of the objectives of this resolution, it was recommended that the Pan American Union prepare technical studies on certain aspects of subversive action. In accordance with the recommendation, the Department of Legal Affairs prepared a report on "Strengthening of Internal Security," which was submitted to the governments and published in 1953.

6. In the "Declaration of Solidarity for the Preservation of the Political Integrity of the American States Against the Intervention of International Communism," the Tenth Inter-American Conference (Caracas, 1954), again insisted on the need to adopt and carry out measures to counteract the subversive activities of the international Communist movement, recommending that the American governments, without prejudice to such other measures as they might consider desirable, should give special attention to the following steps for the purpose of counteracting such activities within their respective jurisdictions:

(a) Measures to require disclosure of the identity, activities, and sources of funds of those who are spreading propaganda of the international Communist movement or who travel in the interests of that movement, and of those who act as its agents or in its behalf; and

(b) The exchange of information among governments to assist in fulfilling the purpose of the resolution adopted by the Inter-American conferences and meetings of ministers of foreign affairs regarding international communism.

7. In view of the foregoing, the Committee has not considered it necessary, in this initial stage of its work, to examine the measures intended to counteract subversive activities. It considers that, at least for the moment, it has the vast experience acquired through the measures adopted during World War II. However, the Committee does consider it desirable—and an unavoidable duty—owing to the nature and scope of its terms of reference, to point out to the Council of the Organization the urgent need for each and every one of the American governments to give the greatest possible application to the measures that have been adopted since 1948 by the Inter-American Conferences and Meetings of Consultation. As stated above, in the fight against the subversive action of international communism, the American governments in general have not, unfortunately, demonstrated the same zeal and earnestness that they manifested during World War II in fighting Nazi-Fascist subversive action, and perhaps this is one of the reasons for the degree of development of Sino-Soviet and Castro activities in these past few years.

8. In connection with the foregoing, it should be noted that, in Resolution VIII, the Fourth Meeting of Consultation (1951) explicitly stated:

Since the said subversive action recognizes no boundaries, the present situation requires, in addition to adequate internal measures, a high degree of international cooperation among the American Republics, looking to the eradication of any threat of subversive activity which may endanger democracy and the free way of life in the American Republics.

It is obvious, therefore, that owing to the methods employed by international communism, the lack of cooperation of one State can render inoperative the measures adopted by a contiguous State; and when several States fail to cooperate, the system for defense against subversion as a whole becomes ineffective. The interdependence of the measures to counteract subversive action is such that if any government fails to apply them, the system is weakened and its entire effectiveness is undermined. This is the impression one receives from surveying the American scene over the past few years.

9. Along the same line of thought, the committee would also like to recommend that, in adopting and applying internal measures, the governments act with the necessary vigor which is required to combat subversive action. In making this recommendation, the committee has kept in mind especially two fundamental considerations: the first is that the agents of international communism, as the fourth meeting of consultation stated, are attempting to destroy the democratic institutions, "utilizing for this purpose the exploitation and the abuse of these selfsame democratic liberties"; and secondly, that the measures adopted by the competent authorities to counteract the subversive action, whatever its nature and scope, are not, by any means, inconsistent with the internal and international obligation of the state to respect human rights and fundamental liberties.

10. In connection with this second consideration, the committee wishes to add that the subversive action of international communism presupposes the performance of acts directed, assisted, or instigated by foreign powers or governments, and that therefore, they constitute grave acts against the public order and the security of the state, especially when the agent carrying out the subversive action is a national or citizen of that state. Under the laws of all the countries of the world, and the international instruments governing the matter, the enjoyment of human rights and fundamental liberties is subject to the limitations and restrictions that the state is expressly au-

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authorized to impose for reasons of internal security or other reasons that are considered vital to the welfare of the nation. It can be easily understood, therefore, what a legal and political mistake it would be to tolerate subversive activity or fail to combat it adequately, out of fear that human rights and fundamental liberties would not be respected.

11. The above recommendations and considerations, therefore, are completely consistent with the aim, already expressed in Resolution VIII repeatedly quoted, that in applying the measures referred to, the states should bear in mind "the necessity of guaranteeing and defending by the most efficacious means the rights of the human person as well as their firm determination to preserve and defend the basic democratic institutions of the peoples of the American Republics." On this point, the above-mentioned Pan American Union report states that in its conclusions care was taken to guard against the possibility that such ways and means be used to obstruct or suppress genuinely democratic expressions of opinion, activities, or political aspirations, completely foreign to international communism." The same legitimate concern appears again in Resolution I4(c) of the Eighth Meeting of Consultation as one of the basic political principles set forth in that resolution:

"The repudiation of repressive measures which, under the pretext of isolating or combating communism, may facilitate the appearance or strengthening of reactionary doctrines and methods which attempt to repress ideas of social progress and to confuse truly progressive and democratic labor organizations and cultural and political movements with Communist subversion.

"B. Vigilance for the Purpose of Warning Against Acts of Aggression, Subversion, or Other Dangers to Peace and Security, and Self-Defense."

In establishing this Committee, the Eighth Meeting of Consultation resolved:

1. To request the Council of the Organization of American States to maintain all necessary vigilance, for the purpose of warning against any acts of aggression, subversion, or other dangers to peace and security, or the preparation of such acts, resulting from the continued intervention of Sino-Soviet powers in this hemisphere and to make recommendations to the governments of the member states with regard thereto.

In the preamble to Resolution II, it is stated "it is advisable, therefore, to make available to the Council of the Organization of American States a body of an advisory nature * * *. In this connection, the committee takes the liberty of offering its technical services to the Council for the purposes outlined in the paragraph cited above. To this effect, the committee also takes the liberty of submitting to the Council for consideration its recommendation that the member States be invited to furnish the Council with any information that they may exchange between themselves, pursuant to the resolutions mentioned above, as well as any evidence they obtain regarding Communist deception that can be added to the evidence contained in this report. This information would be examined by the committee from the purely technical standpoint, in accordance with whatever directives the Council might issue to it, in order that general studies and pertinent recommendations might be submitted to the Council for consideration.

The committee makes this recommendation having in mind the fact that Communist deception and techniques vary constantly, and that only by studying them in a determined, continuous, and comparative manner, can conclusions be reached and suggestions made that would be of great utility in more effectively combating communism. In all this, the committee is fully

aware that it is the governments and peoples of America who have the right, capacity, and interest to counteract the subversive action of the international Communist movement.

The eighth meeting of consultation also resolved:

"3. To urge the member states to take those steps that they may consider appropriate for their individual or collective self-defense, and to cooperate, as may be necessary or desirable, to strengthen their capacity to counteract threats or acts of aggression, subversion, or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance."

In view of the nature and scope of this paragraph of resolution II, the committee considers that it would be highly desirable for the General Secretariat to prepare a study of the background of the exercise of individual and collective self-defense, especially with reference to the threats and acts referred to in the said paragraph.

The committee also deems that it would be very useful to the general objectives of resolution II if the General Secretariat would issue a new, up-to-date edition of the report on "Strengthening of Internal Security," published in 1953.

MANUEL CAMPOS JIMÉNEZ,
Chairman of the Committee.

JULIO CÉSAR DOIG SÁNCHEZ,
Vice Chairman of the Committee.

FRANCISCO MARCELO RAMÍREZ.

THOMAS D. WHITE.

JOAQUIM CANUTO MENDES DE ALMEIDA.

JULIO CÉSAR VADORA ROZIER.

JOAQUÍN ZALDÍVAR.

APRIL 30, 1962.

Mr. Speaker, in a recent additional report, the committee has made other recommendations to the American governments. Among these are:

First. The effective control of travel to Cuba, including both national and international procedures.

Second. Exchange of information between governments on known Communist subversive agents and persons who travel to Cuba.

Third. Plan to counteract, weaken, or cancel out Communist propaganda carried on through any medium.

Fourth. Enact measures which might control the transfer of funds for subversive purposes. Also to exercise strict control over national procedures used by Communists to obtain funds.

Fifth. Improving the intelligence services of each country to coordinate and carry out effective action against Communist subversion.

Sixth. Establish real and effective collaboration of those agencies in each country charged with action against Communist subversion.

Seventh. Transmit all information on subversive activities to the central committee.

These and other stringent measures which have been recommended are only the forerunner of the joint action which can and must be taken by the members of the Organization of American States to meet the Communist threat in all of Latin America and to help bring about the elimination of the Communist base in Cuba.

Mr. Speaker, as I have maintained for

several years, the American states must take all cooperative action, military, economic, and ideological to deal with the menace of communism in the Western Hemisphere, and particularly the problem of Cuba. As our President has stated, the existence of a Communist government in Cuba is incompatible with the inter-American system and all our policies are directed toward its elimination.

I would hope, as we all do, that effective joint action of the American countries will be successful in meeting the threat of Communist subversion in Latin America and in eliminating the Communist government in Cuba. However, in the final analysis, as I have repeatedly maintained for several years, the existence of a Communist government in Cuba is a direct threat to the peace and security of the United States and falling all else, the United States must, in its own security interests, take whatever action necessary, military or economic, to eradicate that government.

FREIGHT RATES

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. ASHLEY] is recognized for 60 minutes.

Mr. ASHLEY. Mr. Speaker, today I have introduced a bill to amend section 22 of the Interstate Commerce Act to provide a means by which freight rates established under that section for the U.S. Government may be set aside if they are unjustly discriminatory or unduly prejudicial.

Contrary to common belief, Mr. Speaker, there are two sets of rules in public ratemaking.

The rules for private industry are set forth in the Interstate Commerce Act and various other transportation statutes and regulations. These rules require shippers to govern themselves in such a way as to insure equality for all in regard to transport rates and services.

The rules for the Federal Government are set forth in section 22 of the Interstate Commerce Act, which states clearly that rates on Government traffic are exempt from Government regulation.

The paradox is clear. The Government, which is the largest shipper in the world, is charged by law with the responsibility of maintaining fair and impartial freight charges. However, this largest shipper easily avoids the controls and restrictions with which all other shippers must comply by legally obtaining unregulated rates concessions under section 22 of the Interstate Commerce Act. Even more ironic—and dangerous—is the fact that there is presently no procedure by which an interested party can question the fairness of these unregulated rates, nor does ICC have authority to determine whether they are discriminatory.

It is to this point that my bill is directed. It does not seek to abolish section 22 but simply to establish a procedure which will assure that rates, fares, and charges under this section are fair. It does this by prohibiting any

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Federal agency from quoting or tendering a section 22 rate to the U.S. Government which subjects any particular locality, port, port district, gateway, region, district, or territory to any unjust discrimination or any undue or unreasonable prejudice or disadvantage. Agencies or departments of the Federal Government would be required to file any rate which they intend to accept under section 22 with the ICC at least 15 days before such rate is accepted and the Commission would receive complaints and hold hearings to determine whether such rates are discriminatory or prejudicial. Under the bill, if a rate was found to be discriminatory, the Commission would then issue such order or orders as might be necessary to remove the unreasonable preference or advantage.

Before directing attention to the Government's present use of section 22, I would like to review briefly the history of this section. It is most interesting and is also relevant to the legislative proposal under discussion.

Section 22 was incorporated in a bill enacted in 1887, popularly known today as the Interstate Commerce Act, the purpose of which was to bring order out of the freight-rate chaos which existed at that time.

In the early years of rail transportation, Federal assistance was given to various railroad companies in the form of land grants amounting to over 140 million acres—an area equal in size to all of Michigan, Wisconsin, Illinois, Indiana, and nearly half of Ohio. At that time the land was valued at approximately \$130 million. In return for the railroad grants the Government received compensation in the form of reduced transportation charges on mail, troops, and Government property as required by the land-grants acts.

However, there were many rail lines which were not the beneficiaries of land grants from the Federal Government. These lines were under a competitive disability as far as movement of Government traffic was concerned. The act of 1887 recognized this and section 22 was added to bring about equalization of land-grant and nonland-grant railroads by exempting all carriers from the regulated freight rate controls which the act established, insofar as Government traffic was concerned.

In the years that followed, military and nonmilitary traffic moved over the land-grant railroads at substantial savings to the Government. Nonland-grant railroads that wished to compete for this traffic equalized their rates through section 22. It was not until 1945 that Congress finally relieved the land-grant railroads from any further obligation to transport persons and property for the military at reduced rates. However, section 22 was allowed to remain in the act in its original form and it became the only mechanism through which the Government, without any control at all, could receive lower rates than those available to commercial shippers. It is not surprising that it quickly became a competitive weapon among regulated carriers.

Since 1945 the use of section 22 to secure reduced rates on Government freight has grown to astronomical proportions and the consequences have been correspondingly serious. The filing of section 22 rates with the Defense Traffic Management Service alone grew to such proportions that in June of 1962 the agency announced that it was proposing the use of computers for handling these quotations due to the receipt of over 10,000 new section 22 rates per week.

By 1962 the situation had become so critical that Rupert Murphy, Interstate Commerce Commission Chairman, stated to the Senate Commerce Committee:

A large percentage of the traffic transported for the Government now moves at reduced rates under section 22 which are not available to the commercial shipper. This preferential treatment has a strong tendency to increase the cost of transportation services to commercial users who, when their rates become too high, resort to private carriage. Such diversion of traffic to private carriage is obviously detrimental to the maintenance of a sound common carrier system. Moreover, the preferential treatment accorded the various levels of government is, in our view, inconsistent with the national transportation policy which has among its objectives to foster sound economic conditions in transportation.

What kind of situations did Chairman Murphy have in mind when he repeatedly referred to "preferential treatment detrimental to the maintenance of a sound carrier system"?

Perhaps the answer can best be illustrated by citing three examples. One involves a recent price quotation on surplus corn by the Department of Agriculture on a special delivered basis to 12 Southeastern States. The basis was the Chicago cash price plus 25 cents regardless of the point of destination. Obviously these quotations completely disregarded the costs of transportation in excess of 25 cents a bushel. If the Department of Agriculture used the published commercial rates, the differential was paid by the Department and ultimately by the taxpayer. If reduced rates were offered by a carrier under section 22, as appears likely, then the differential was either absorbed by the carrier or passed on to private shippers in the form of higher charges.

A second example occurred several years ago in June when carriers quoted the Government a \$1.50 rate per hundred pounds to move shirts from Anderson, S.C., to Memphis, Tenn. The following March the rate was cut to \$1.10 in May to 90 cents, in June to 80 cents, and in July to 75 cents. In 13 months the rate was cut in half while the commercial rate stood higher than the initial rate.

This is the same kind of destructive practice which was involved in the movement of aluminum pigs from a point in Texas to Hammond, Ind. In May the railroads established a commercial rate of \$16.24 per ton. The General Services Administration had a sizable shipment about a year later, so to match the public barge rate of \$12.71 a ton, the railroads quoted a section 22 rate of \$12.71 or \$3.53 per ton less than their published commercial rate. The water carriers then quoted \$12.45 a ton or 28 cents

per ton less than their published rate. In less than 2 years each mode of transportation made four further reductions and when the railroads finally reduced their rate to \$9.45 a ton, the bargelines refused to be a party to a further reduction and consequently abandoned the tonnage to the railroads.

The third situation presented itself recently and involved the movement of tanks from Centerline, Mich., to a port of embarkation for shipment abroad. The published commercial rates from Centerline to Newport News—792 miles—were \$1.37 per hundredweight, and to Toledo—50 miles—52 cents. The carrier, which I believe was the New York Central, offered a section 22 rate from Centerline to Newport News of 50 cents but offered no comparative section 22 rate to Toledo or any other available port and none was requested by the Defense traffic people.

Obviously, if anything in the nature of a comparable section 22 rate had been offered to Toledo or any other port less distant from point of origin than Newport News, the result would have been reduced freight charges to the Government.

Mr. Speaker, if all of the preferences and discriminations implicit in the use of section 22 were to be eliminated, it would be necessary to repeal the section outright. By definition, section 22 makes it possible for the Federal Government to accept freight rates and charges which are preferential to those available to private industry under section 15. From the standpoint of national security and in certain other respects, I believe the position of the Federal Government to be different in character from that of private commercial shippers and that therefore there is legitimate reason for retaining section 22. But I emphatically suggest that the use of this section should be legitimate and I would suggest further that history has demonstrated that this can never be achieved so long as the determination is left to the very governmental agencies that seek reduced rates, with no recourse to any impartial regulatory agency.

In essence my bill does nothing more than provide a day in court for those who claim that rates made available to the Federal Government under section 22 discriminate against one locality in favor of another. It would not eliminate the preference which this section offers to the Government but it would put a halt to one form of discrimination which is disruptive of our entire transportation system and which clearly represents an added and unconscionable charge to the taxpayer.

It is true that the ICC takes the position that it is not precluded from "prescribing" reasonable, maximum section 22 rates. It is equally true, however, that a prescription from the Commission has never been nor ever will be effective enough to deter a carrier or Government agency from using section 22 as they wish regardless of the consequences to private shippers, the national transportation system, or for that matter, themselves. Only a court decision can enforce the ICC recommendations and