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A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

PERMISSION TO SIT—SUBCOMMITTEE NO. 5 OF THE COMMITTEE ON THE JUDICIARY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Committee on the Judiciary may be permitted to sit on Wednesday and Thursday afternoon during general debate.

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

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. The Chair believes a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 41]

Addonizio	Edmondson	Morris, N. Mex.
Ashley	Elliott	Passman
Auchincloss	Fenton	Porter
Bowles	Goodell	Powell
Brewster	Granahan	Reuss
Brown, Mo.	Grant	Rhodes, Ariz.
Buckley	Hargis	Rodino
Burdick	Hoffman, Ill.	Rogers, Colo.
Canfield	Jones, Ala.	Rogers, Mass.
Casey	Magnuson	Saund
Coffin	Mailliard	Siler
Cooley	Mason	Springer
Curtis, Mo.	Metcalf	Sullivan
Daddario	Miller,	Taylor
Dent, Pa.	George P.	Weaver
Diggs	Milliken	Willis
Dowdy	Mitchell	Wolf

The SPEAKER. On this rollcall 380 Members have answered to their names, a quorum.

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

OVERALL LIMITATION ON FOREIGN TAX CREDIT

The SPEAKER. The unfinished business is the question on suspending the rules and passing the bill H.R. 10087, to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit.

The question was taken, and the Speaker announced that in his opinion two-thirds had voted in favor thereof.

Mr. GROSS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EMPLOYMENT OF RETIRED COMMISSIONED OFFICERS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 487 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10959) relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, House Resolution 487 provides for the consideration of H.R. 10959, relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces, and for other purposes. The resolution provides for an open rule with 3 hours of general debate.

The purposes of the bill are to, first, attempt to curb, insofar as possible, the potential for influence, in the field of military procurement, of retired commissioned officers and active-duty commissioned officers employed by contractors furnishing anything to the Department of Defense or an Armed Force of the United States; second, to make the laws pertaining thereto equal to all of the services; and third, to provide exemption for the five-star generals and admirals from the law relative to outside employment of active-duty officers.

H.R. 10959 equalizes for retired officers of all of the armed services the prohibition against selling to the Department of Defense and the Armed Forces. It also provides that a retired officer may not sell as the representative of a company doing business with the Department of Defense for a period of 2 years from the date of his retirement without losing his retired pay for such period up to the 2 years that he may engage in such selling. The only exception is in the case of any officer who served on active duty less than 8 years and whose primary duties during his period of active duty at no time included procurement, maintenance, or supply.

Section 2 of H.R. 10959 will further lessen the possibility of influence in this field by limiting outside employment of commissioned officers on active duty to those positions which can in no way be conceived as affecting the procurement practices or policies of the Department of Defense or an Armed Force of the United States. The only exception thereto is in the case of the five-star generals and admirals.

Those affected by this exemption are Generals of the Army MacArthur and Bradley, both of whom are on the active list of the Army but without any duty assignments and are employed by organizations which furnish material to the Armed Forces of the United States.

Section 3 of the bill will repeal the existing lifetime ban on selling to the Navy by retired Navy commissioned officers.

The bill would prohibit selling as a matter of principle and as a matter of law for a period of only 2 years after an officer retires.

Congressman HÉBERT and the members of his subcommittee investigating the procurement operations of the Defense Department, are to be congratulated for the outstanding job they have been doing in exposing some of the questionable methods of contract letting in our mammoth defense program. Having heard the testimony presented by members of the Armed Services Committee before the Rules Committee on H.R. 10959, I am very much opposed to this bill in its present form. I am not opposed to the adoption of a rule as I do believe the members should be given an opportunity to learn all the facts connected with the loose methods adopted by leaders in our Defense Department in granting contracts involving the expenditures of billions of dollars annually. Congressman HÉBERT'S committee has held extensive hearings and startling facts have been recorded in the testimony of wanton waste and questionable methods used in negotiating contracts with large industries who could afford to hire retired military officers at fabulous salaries. I understand that during the 5-minute rule, Congressman HÉBERT and some of the members of his subcommittee will sponsor an amendment to this bill which will more effectively curb some of the deplorable procurement operations of our Defense Department.

As a Representative in Congress of the industrial Calumet region, I can say that during the last dozen years a great number of small industries in my area have been completely estopped from even a remote consideration of their application for securing defense contracts by reason of an inside munitions lobby operated by retired military officers.

In Drew Pearson's column some time ago, an article stated that General Electric, next to Boeing and General Dynamics, is the third largest defense contractor in our Government. The article also stated that in 1958 General Electric had as high as 35 retired Army, Navy, and Air Force officers on its payroll at fabulous salaries. It also stated that General Electric ranked fifth in the list of firms employing retired "brass hats." One of these brass hats was a highly paid admiral who formerly was Chief of Naval Personnel and hired some of the men who were issuing defense contracts before he retired from the service.

In an article in the February 9, 1960, Washington Post, it revealed that a former admiral, after retirement, was receiving a pension from the Government

of $1,072.18 per month in addition to a $25,000 salary from the Bankers Trust; $12,000 annually from Philco; $12,000 annually from Molybdenum Co.; and $15,000 annually from Champion Paper, and $2,400 per annum, plus $100 for each directors meeting from Worthington Pump Corp.

I am merely mentioning a couple of the numerous instances where retired military officers step into fabulous salary bonanzas after retirement merely because of their close connections with the Pentagon and other defense operations. I am glad that the Armed Services Committee is finally taking a definite step to present legislation that will terminate this sloppy method of negotiating defense contracts that have cost the American taxpayers wasted billions in the last dozens of years. Congressman HÉBERT's amendment will substitute criminal penalties instead of the court-martial trials set out in the committee bill.

An item in the Washington Post and Times Herald recently revealed that the Glen Martin Co., one of the Nation's largest contractors in the making of vital missiles, entertained a number of retired and active admirals and Air Force generals at the swank Cotton Club in the Bahamas. The paper also recorded the efforts of the company to deduct this payola operation from its income tax as legitimate business expense.

I do hope the Members will remain on the floor when Congressman HÉBERT presents his amendment to this bill and listen to his presentation along with other members of the Armed Services Committee who believe that the present form of H.R. 10959 is more of a skimmed-milk slap-in-the-wrist piece of legislation that will not completely eliminate this deplorable method of negotiating contracts which involve billions in taxpayers money every year.

Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee [Mr. REECE], and reserve the balance of my time.

Mr. REECE of Tennessee. Mr. Speaker, I yield 8 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, this rule makes in order, with 3 hours of general debate, the consideration of the bill H.R. 10959, under House Resolution 487 as reported by the Committee on Rules.

This is a rather peculiar situation. I do not think I have ever seen a situation just like this in the past in connection with any legislation which has come to the floor of the House under a rule of this type.

This rule makes in order the bill, H.R. 10959, which bears the name of Mr. HÉBERT, of Louisiana. However, the bill as it was reported actually was not the Hébert bill, as originally introduced, and has been more or less repudiated, may I say, by the Member whose name it bears, Mr. HÉBERT, who as you know for a great many years has been, during the Democratic controlled Congresses, the chairman of the special investigating committee or subcommittee of the Committee on Armed Services of this House. During the Republican control of the House, Mr. HESS, of Ohio, served in the same capacity.

These two men, working with their subcommittee, named by the Committee on Armed Services, of course, have done a great job throughout the years in exposing waste, extravagance, and sometimes corruption, in connection with defense contracts. By their work they have saved literally hundreds of millions of dollars for American taxpayers.

Mr. Speaker, this bill was brought to us in the Committee on Rules after the Committee on Armed Services of the House, under the leadership of its distinguished chairman, the gentleman from Georgia [Mr. VINSON], had made a great many changes which resulted in taking out most of the teeth from the original bill—which resulted in destroying the value of the original Hébert bill. The gentleman from Georgia, the chairman of this great Committee on Armed Services, is the friend of all of us. He has served longer than any other Member of the House of Representatives except the Speaker of the House. He is indeed a distinguished Member. The very fact that this bill came before the Committee on Rules with the Committee on Armed Services divided within itself for, perhaps, the first time since the memory of man runneth not to the contrary. This alerted some of us in the Committee on Rules to look behind the scenes. I must say, frankly, out of all fairness to both the chairman, the gentleman from Georgia [Mr. VINSON], and the gentleman from Louisiana [Mr. HÉBERT], it took considerable pressure on the part of members of the Committee on Rules to bring out into the open the conflict which had gone on between Mr. HÉBERT and his group on the one hand and Mr. VINSON and his followers, who are always large in number in the committee, on the other.

Mr. Speaker, before I say more, I want to pay tribute to Chairman VINSON, as well as to the subcommittee chairman, Mr. HÉBERT, for their past services. Mr. VINSON is not only a great American, he is a national institution so far as most of us are concerned, and he knows full well how to write legislation. Rather peculiarly, the job that he did, if I may use that language, on the original Hébert bill was quite effective in destroying its worth, even though he came before our Rules Committee and urged that it be given a rule and insisted that it was satisfactory as amended.

Incidentally, I brought to the attention of the committee at that time the statements which appeared in the committee's report on this original bill, which showed that there was a total of 3,353 retired staff officers altogether. That is on page 18. Then, rather peculiarly, if you refer to page 21, when we get down to these people who would be affected by this legislation, and that would only be the retired officers who were selling to the Government—just selling to the Government and not being in high positions in connection with these defense industries—if you will look closely—you will find that engaged in sales, there were just six officers—just a half dozen. There might be some other answer, but we did not get it in the Committee on Rules from Chairman VINSON if there is some answer.

Of course if we are only dealing with six officers we might as well not enact any legislation. But, as I said a moment ago, this original legislation did not seem to be entirely satisfactory to the chairman after all. I told Chairman VINSON frankly I did not think I could go along with him on the original bill as amended. He told me there was now another bill written by the gentleman from Texas [Mr. KILDAY]. I have not had an opportunity to study and analyze that one as I would like. It is H.R. 11544; and then I find another bill, H.R. 11576, 32 numbers higher. I do not know the reason why we have these two bills or what the differences between them are, but I know they are both quite different from the original amended Hébert bill that the chairman brought to the Rules Committee. That is what we are voting on now, the original Hébert bill, as amended, at the suggestion of the Armed Services Committee and as reported out by that great committee.

We are not children. Most of us have been here at least 15 or 16 months, even if we are freshmen Congressmen, and some of us have been here a quarter of a century, and some even longer. We know, and anybody that has any connection with the Government knows, that there is something wrong when so many of these officers are retired and so many of them immediately go out and get high paying jobs with industry that is manufacturing something to sell to the Government of the United States—that has to be purchased under contracts that have to be approved by other officers—with whom some of these men served, and perhaps whom they even promoted before they left the service—that something is seriously wrong.

Another thing that gripes me is that a great many of these officers who are retiring and going into industry are upon retirement found physically incapacitated and are given tax exemption on their retirement benefits. A poor old Congressman, who pays at least half of his retirement costs, it does not make any difference how unfit he may be, can not get any tax reduction. He just pays his taxes anyway. There is a reason why these things are happening. The people of America know there is something wrong. I cannot point a direct finger at any of it. But I believe the men who have investigated these things, like Mr. HÉBERT and Mr. HESS, can tell you about it and give you the facts and the cases. As far as I am concerned I resent that somebody thinks I am stupid enough to swallow the story that there are only six retired officers who have anything to do with military sales. The American people will not buy that, either.

These new bills, and the amendments that will be offered by Mr. HÉBERT and others deserve serious consideration by this House. I agree with the gentleman from Indiana, when he says this is one of

the most important bills to come before this Congress in a long time, because the taxpayers are demanding that we do something to cut down on this kind of activity, and on the huge cost of defense, all of which reflect these high salaries that are paid to these men, many of whom are hired for one reason only, and that is because of their influence at the Pentagon.

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

Mr. BROWN of Ohio. I yield to the gentleman from Florida.

Mr. HALEY. Is there not some prohibition in other departments of Government?

Mr. BROWN of Ohio. Oh, yes. If a lawyer, who has been employed in a Government agency, takes any fee to represent any client before a Government agency or Department within 2 years after retirement, he is subject to a criminal penalty. But here we just say, "You will lose your retirement pay for 2 years." If you are getting $100,000 per year for your influence you do not mind losing $10,000 a year in retirement benefits.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I support the Hébert bill insofar as it goes. I believe the Kilday bill is a milquetoast approach to a very serious problem. I believe that there should be a complete ban on employment for a period of 2 years if we seek to remedy the situation and reduce the cost of our military operation and remove the waste.

This Hébert bill, H.R. 10959, seeks to eliminate or do away with possible influence by retired military officers in obtaining defense contracts. Members of the House may remember that during the consideration of the defense appropriation bill on June 3, 1959, I introduced an amendment which provided that none of the funds in the appropriation bill could be used to enter into a contract with any defense contractor which provided compensation to a retired or inactive military or naval officer who has been an active member of the Armed Forces within 5 years of the date of the enactment of this act.

This amendment was a complete ban on employment of retired military officers. It was not a partial ban on employment of these retired commissioned officers. It, in effect, prohibited a defense contractor from being paid if it hired a retired officer, flag or commissioned, who had left the service within the past 5 years. On that occasion, in discussing my amendment, I said among other things on page 8784 of the CONGRESSIONAL RECORD that this amendment is designed to eliminate influence by a retired military officer above the rank of colonel and to reduce the cost of our defense program. It will permit those who grant procurement contracts to let them without offending their former bosses or colleagues.

It has become rather general practice for high-ranking military officers to accept important positions in defense industry after their retirement from active military service. We have approved the budget request of $715 million for retired pay of military personnel. Retired officers receive substantial retirement benefits. In some cases such officials take positions with companies which have large contracts for the furnishing of war materiel to the Defense Department.

There can be little doubt that this is a very unhealthy situation and should be changed immediately. It can have a very definite effect on contracting policies and procedures within the Defense Department. It can result in unnecessary expenditures and waste.

Persons within the Department who may be looking forward to possible employment within a certain organization after retirement can display partiality and favoritism without ever realizing it. Further, prominent military figures in retirement can have a great influence over their former subordinates who are still in the Department. Contact at social and professional gatherings between active and retired officers can provide a perfectly natural setting for influence and favoritism.

As you may remember, my amendment, after being approved by a voice vote, was dramatically defeated by one vote on a division after the House was assured that an investigation would be held by a subcommittee of the Armed Services Committee headed by the gentleman from Louisiana [Mr. HÉBERT]. Such hearings were extensively held and my statements which I made on June 3 in connection with the defense appropriation bill have been borne out fully by the disclosures and the testimony in those Hébert hearings. I commend the gentleman from Louisiana [Mr. HÉBERT] for the wonderful work he did in the investigation by his subcommittee.

We have seen from the testimony how extensive has become the practice of hiring retired officers. On pages 8 and 9 of the report of the subcommittee of the special investigation on employment of retired commissioned officers by Defense Department contractors, we see the startling disclosure that the 100 biggest defense contractors have hired 1,401 retired commissioned officers, which includes 251 flag or general officers. The seven defense contractors which have the greatest number of retired flag and commissioned officers on their staff are as follows:

Company	Defense position	Number of retired military officers	Number of retired flag officers
General Dynamics	2	186	27
Lockheed	4	171	27
Martin Co	9	63	9
RCA	15	35	15
General Tire & Rubber Co	26	66	11
I.T.T.	30	44	14
Boeing	1	61	5

These retired men are receiving pensions from the U.S. Government, with the average annual pensions ranging from $2,400 to $8,400. Some officers receive more than $8,400 in pension or retirement benefits. The defense industry annual salaries paid to retired flag officers range from a low of $5,000 to a high of $100,000. Approximately 180 of the 251 retired flag officers receive in excess of $10,000 salary annually from these defense contractors. About 25 flag officers receive more than $25,000 per year in salary and 8 of them receive over $50,000 per year in salary from these defense contractors.

These are certainly lucrative salaries for men who have retired and are receiving pensions. Do you think, gentlemen, that officers who are looking forward to retiring are tempted to favor defense contractors with whom they might join after they retire? Do you think our procurement policies and our high military costs are affected by this temptation? Do you think that flag officers have no influence on their former subordinates in obtaining defense contracts for their new employers?

The 1961 hearings on procurement show that $8 billion to $10 billion worth of supplies and equipment is declared surplus by the Armed Forces every year. To what extent is the $8 billion to $10 billion worth of declared surplus every year the result of influence peddling in our procurement policies? For 20 years the armed services have been saying they are streamlining and improving their procedures in procurement, but the $8 billion to $10 billion of declared surplus and waste still continue, so much so that the chairman of the Appropriations Subcommittee on Defense spoke with a feeling of frustration when he said that what the services say that they are doing in improving procedures of procurement was not encouraging to him.

I cannot condone, and I am certain that this body does not approve the practice of certain defense contractors in entertaining at their expense our highest military officers, past or present, in the Bahamas or in private clubs. The Hébert subcommittee explored a phase of this practice and exposed the entertainment by the Martin Co., one of the largest defense contractors which does exclusively defense contracts. This company has hired 63 retired commissioned officers and resists payment of their income taxes on their excess profits after the Federal Renegotiation Board has determined that the Martin Co. for a period covering 3 years made in excess of $25 million of excess profits.

I believe the subcommittee has done an honest job and the gentleman from Louisiana [Mr. HÉBERT] has tried and sought to bring out an effective bill which is designed to eliminate influence peddling or any aura of influence peddling. His bill is more limited than my amendment which I introduced last year to the appropriations bill. His bill does not ban the employment of retired officers, but prohibits the selling by retired officers to any of the armed services. The Department of Defense concurs in the thought that there should be a cooling-off period. Responsible and high military officers agree that there should be a cooling-off period. The committee report indicates the meaning and intent of the word "selling," but the bill does not spell out or give the definition of the word "selling." The report provides that any action in the proposal, devel-

opment, or production of an article is a link in the chain of selling and would be banned during the proscribed period.

Congressman HÉBERT, in his original bill, sought to impose sanctions in two forms: First, a loss of pension, and second, imprisonment and fine for violation of the ban against selling. The full committee deleted the criminal penalties. To eliminate criminal penalties or sanctions and to limit penalty only to a loss of pension for a period of 2 years is in effect to require a license to sell with a license fee most likely being paid for by the defense contractor in the form of a higher salary to the retired commissioned officer. This is no penalty whatsoever and is a milquetoast approach. By eliminating the criminal provision, the full committee has scuttled the bill and made the enforcement provisions ineffective.

I believe that sanctions and penalties should be placed upon the one who profits by the violation of law, and that is the defense contractor. I believe that where the defense contractor knowingly permits a retired officer to sell to the Armed Forces in violation of law that the defense contractor would forfeit his rights under the contract which was obtained through the prohibited influence and would also be prohibited from doing business with the Government thereafter for a period of 1 year. However, I would provide a safety valve and would permit the Secretary of Defense to waive the forfeiture and prohibition if the Secretary of Defense thinks that it is in the interest of national defense that he so do, but if he does, he must notify the appropriate Armed Service Committee of the House and Senate of the reasons which compel his action.

Only an effective bill will reduce the waste and high cost in our military procurement which after all is the major objective of eliminating influence peddling. The 1961 budget for our national security is $45,600 million of which $13,602 million is for the purchase of aircraft, missiles, ships, and other military equipment. We cannot afford the purchase of supplies and equipment which are wasteful and not usable. Too long have billions of dollars of military equipment and supplies been declared surplus. If we want to help our Nation grow strong, we must get our dollars value for the dollars we spend. Our Nation and the taxpayers are prepared to spend billions of dollars for defense, but they disapprove the expenditure for waste and inefficiency or influence peddling.

We must take effective action now.

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. REECE of Tennessee. Mr. Speaker, I yield myself 12 minutes.

Mr. REECE of Tennessee. Mr. Speaker, I am in favor of the rule and I am in favor of the bill, but I question if the bill goes far enough to accomplish the objectives of its sponsors. In my service on the Armed Services Committee, I had some opportunity to make some observations in this area which gave me great concern. It is with mixed feelings that I am saying what I do today. I am not one who carries lightly the responsibilities of membership in this body to which I came as the youngest Member 39 years ago.

In what we now refer to as World War I, I had the honor of serving in the U.S. Army. My duties took me overseas where active combat fell to my lot. This in turn resulted in my country's honoring me with certain awards which I have always prized more highly than any other honors which it has been my good fortune to receive

Upon being first elected to Congress in 1920, among my early committee assignments was one to the old Military Affairs Committee, the forerunner of our present Armed Services Committee on which I have served also. With the exception of my good friend, Chairman VINSON, only Speaker RAYBURN was serving in this body when I was first elected. During all these years my respect for the armed services has been high, and my deep attachment to and regard for our Army has never wavered. With this for a background, I now feel it is my duty to indict that branch of the armed services in which I served for a severe dereliction of duty.

Its part in the one segment of the missile program that I have studied indicates a sorry and a sordid role which, in my opinion, stems from the very problem with which this legislation is concerned.

Broadly speaking, that segment of the Army's missile program which I have studied and about which I am speaking today, the Army's efforts have not been directed exclusively toward the defense of our country. They have been directed almost solely toward benefiting financially a few very large corporations who are in almost complete control of the Army's missile program. That the pursuit of this policy has, or will, benefit certain highly placed Army personnel is all too obvious. To this indictment I wish to specifically exempt the ABMA project, or projects, headed by Dr. Wernher von Braun. I also wish to make plain that I in no way mean to question the integrity and good faith of the Honorable Wilber M. Brucker, Secretary of the Army, with whom I served in the Rainbow Division.

The facts uncovered show clearly that these unworthy manipulations have been carried on in such a manner and at such a level that, due to the constant pressure of his high office, he could not be acquainted with all of the sordid maneuvers that have come to my attention.

With the limited means and time at my command, I have been unable to inquire intelligently into but one of the many Army missile projects; namely, the Nike system, which includes Nike 1, Nike 2, Nike-Ajax, Nike-Hercules, and Nike-Zeus. The facts revealed are appalling. The Army actually has no control over this situation. Through means and methods effective but obscure, the Army has become the captive of industrial forces of great power, particularly Bell Laboratories and Douglas Aircraft. These controls apparently extended from the low of lieutenant colonel and civilian levels up to and including both the former Assistant Secretary of the Army for Logistics—another term for procurement—Mr. Frank Higgins and his former deputy, Mr. Courtney Johnson, who was recently named to succeed him, and the Director of Research and Development, a former Bell Laboratories employee, Dr. William H. Martin and his deputy, Dr. Edward C. Whitting.

In passing from the bottom to the top, this sinister influence touches a section of the Office of Chief of Ordnance, certain sections of the general staff in Washington, and certain sections of Redstone Arsenal. At Redstone, Nike decisions ceased to be made except with the concurrence and consent of the above named great corporations. This in spite of the fact that the Redstone Arsenal was charged with the responsibility for the entire Nike system.

We have a condition existing where no new material or process can be introduced if it runs counter to the financial gains presently accruing to the industrial system controllers, in this particular case, Bell and Douglas. This pressure from these industrial giants is so great that the Department of the Army is captive to them, and by them is almost wholly controlled. This is true even when new materials and processes have produced in prototype an article proven by the Army's own tests to be superior to those presently being produced. It does not matter, either in the Pentagon or at Redstone, that the using services charged with the defense of our country urge the adoption of the new, better and cheaper materials. This does not weigh with those in control and in turn controlled. I was personally told by the then Assistant Secretary Frank Higgins himself that the general officer then in charge of the antiaircraft defense of this country had no say in determining what weapons would or would not be given him with which to conduct this defense. And this is at a time when we are advised by the military themselves that we stand in great peril.

That an almost complete monopoly has been established by Douglas and Bell, with their subsidiaries, in this particular field is irrefutable. This goes so far that if other organizations can supply that which Douglas cannot supply, Douglas will demand, and what is worse, receive the prime contract. They then, because they are incapable of doing this particular work, subcontract to other organizations and receive the same percentage of profit as if they had done the work themselves. This results in multiplying the costs to the Government in that this system of prime contracts and of subcontract piled on top of subcontract sometimes costs the Government up to 30 percent more for the product received.

Why and by whose authority has this shameful condition come about? Who are those responsible for this condition of affairs? How many hundreds of millions or of billions of Government money has been poured into the maintaining of this monopoly? What has the overall profit, not only in dollars but in facilities, been to the monopoly holders? In one instance called to my attention some

time ago there was a cancellation of a missile production contract. Subsequent to this cancellation, the contractor was able to declare a million dollar bonus to each of its five principal officers.

In the case of the Nike-Ajax, which, together with its successors, the Nike-Hercules and Zeus, constitute our principal defense against incoming aircraft and air breathing missiles, there are now surrounding all of our great cities hundreds, perhaps thousands, of installations for the firing of these missiles. In connection with these installations, there arose one problem of great magnitude which the Army recognized but was unable to solve.

As long as 6 years ago, high officers in the Research and Development Section of the Office of Chief of Ordnance realized that the heavy metal booster engine that got the missile into the air would invariably fall back to earth. They began to worry because the metal cylinder performing this task might fall in the cities' most populous areas. The public did not know that the heavy booster engine, quite a missile in itself, if fired, with or without a warhead, could land on and pierce any building, thus causing great destruction and loss of life. Thus was born what the military termed "the disposable problem."

The public were led to believe that the Army controlled the selected areas into which the heavy booster engine would fall. Actually, the Army did not nor does not own an acre of ground dedicated to this purpose. Had the public known the truth regarding this threat to their safety they would have demanded, and now would demand, that the Army solve this frightening problem.

Faced with these facts, the Research and Development Division of the Office of Chief of Ordnance directed Redstone Arsenal to procure a booster engine that would disintegrate in the air after separating from the missile proper.

Bell Laboratories, Douglas, and others, then engaged, through subcontractors, in making very profitably the metal boosters at a high rate of production, informed the Army that no such booster could be produced. They were wrong.

In 1955 the frangible booster made of Fiberglas, self-destroying and falling from the sky like corn flakes, became a reality. This was accomplished as a result of a small research and development contract issued by Redstone Arsenal to an independent contractor who specializes in molded and spun Fiberglas construction. This corporation, spending only a fraction of the moneys allotted to its big competitors for similar purposes, met the Army's rigid requirements, and actually in so doing very greatly improved the overall performance of the entire missile. Incidentally, although given many times as much money, the big competitor never produced a single acceptable article. The new Fiberglas booster was tested at the Army's proving ground at White Sands, N. Mex., after which it was passed by Board 4, the Army's highest testing authority. Redstone Arsenal then certified this frangible booster as ready for production and so recommended.

Later, the commanding general charged with the continental antiaircraft defense, recommended by letter the discontinuance of the production of the metal monstrosities, and the incorporation into the entire Nike system of the new and more effective Fiberglas booster. That was more than 3 years ago.

The Army officers and civilian personnel who had brought about this development were elated and urged its immediate adoption. The dreaded disposal problem, this threat to life and property, a veritable nightmare to Army's high command, had been solved and in a manner that greatly improved the performance of the missile.

This development employed a relatively little known material, Fiberglas, about which neither of the big corporations in control of the program had much knowledge. Also they had not succeeded in mastering the processes involved. Therefore, if these new units went into mass production, the big boys would not be able to make them. Being unable at the moment to compete, they simply had this new development suppressed.

The developers of the new frangible Fiberglas booster were divided into two categories: First, dedicated personnel under military control who were proud of the result of their efforts; and second, the small industrial corporation that had brought to fruition this successful development. When both sets of these developers protested against the tyranny that suppressed this scientific advancement, they were promptly treated to what is called "proper discipline." The military controlled personnel were threatened with dismissal or were sent to far off places—in Army slang, this is referred to as "banishment"—while the protesting small industrial developer was unofficially blacklisted, all of its contracts canceled, all of its prepared and approved publicity suppressed, and all Army controlled personnel forbidden to communicate with them.

These actions not only constitute a violation of oath of office but, in my opinion, indicate a near criminal conspiracy on the part of highly placed officials in the Department of the Army and certain representatives of industry.

Because the demand for an improved nonmetallic self-destroying booster continued to come from so many sources, it was decided and agreed upon at a very high level to try it out in a larger field, that is, the Nike-Hercules, but because Douglas had not yet mastered the Fiberglas technique, this decision was held in suspension for over a year, and to this day the Hercules is, unless a switchover has been made recently, using four of the old obsolete and easily corroded metal boosters needed to get it off the ground. Thus, for each single error in the Nike-Ajax, there are now four such errors in the Hercules. Where there was a certain amount of additional drag or air resistance for the Ajax, caused by the metal booster, this defect—and many others—is multiplied four times in the Hercules.

After 2 years delay and many false starts a small development contract was awarded the small successful developer, but, as phase 1 was being successfully completed, evidence began to mount that phases 2 and 3 would be canceled and that the big industrial system controllers would finally completely suppress or at least delay it until they could master the production techniques of Fiberglas.

There is in my possession actual data that indicates an arrogance on the part of the monopoly holders that makes them immune to any questioning.

I have also encountered at Assistant Secretary levels a blandness, a laissez faire attitude, repeated promises cynically made and never kept.

When we stop to think of what a very small segment of the whole missile program I am speaking of, and if we apply to this situation the simple rule of multiplication, we begin to have some idea of why our present relative position in this atomic age is questioned and why those dedicated men manning our ramparts all over the world are crying to us not to risk destruction in order to increase the dividends and resources of these huge corporations who hold large segments of our Army procurement agencies captive.

In plain language, the actions of those responsible for bringing about and maintaining this condition constitute an almost criminal breach of duty and such persons should be ferreted out and banished. This will take time and effort, but it is a responsibility our service secretaries should assume regardless of the cost in time and effort.

Legislation may help in correcting the situation but, in my opinion, it will not be corrected until the service secretaries assume full responsibility and devote the time and effort necessary to advise themselves of the condition and assume the responsibility for correcting it.

(Mr. REECE of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

(Mr. KILDAY asked and was given permission to revise and extend his remarks.)

Mr. KILDAY. Mr. Speaker, I want to make it perfectly clear that the practice of defense contractors employing former officers of the military services for the purpose of selling their products to the Defense Department is not endorsed or condoned by me. I know of no member of the Committee on Armed Services who is not now prepared and attempting to put a stop to that practice. So that the debate that has been going on here is not quite germane to the situation which exists, as we have the parliamentary situation before us.

I join in the request of the gentleman from Indiana and the gentleman from Ohio that you listen carefully to what the gentleman from Louisiana [Mr. HÉBERT] has to say and his contentions with reference to the bill that is before us. I also ask that you pay rather close attention to others of us who may discuss this matter after the rule has been adopted. I will tell you now what I

anticipate the parliamentary situation will be.

We have pending before us a bill by the gentleman from Louisiana [Mr. HÉBERT], reported out of the Committee on Armed Services.

That is the bill which the rule makes in order. At the proper time either the chairman of the Armed Services Committee or I, in accordance with the instructions of the Committee on Armed Services, will offer as a substitute for the bill reported by the committee the language now contained in H.R. 11576 offered by me on yesterday. This is the language which was approved in the Armed Services Committee yesterday. After debate of about an hour and a half, in which the gentleman from Louisiana [Mr. HÉBERT] participated, and after rollcall vote, this version was approved 24 to 10, specifically over the Hébert version.

The language contained in my bill that I will offer as a substitute at the proper time, in prohibiting former officers from working for defense contractors in selling, is the identical language of the Hébert bill. It is the language written by Mr. HÉBERT and his subcommittee. I then attached to it a penalty involving the forfeiture of retired pay for a period of 2 years. The loss is for 2 years regardless of when the transaction occurs during the 2 years after retirement. The bill of the committee forfeited it only for the time he was engaged in selling. I have also added to this bill a new section 3, which provides that any retired commissioned officer subject to the Uniform Code of Military Justice who violates any provision of this act shall be tried by court-martial, and shall upon conviction be punishable as the court-martial shall direct. The gentleman from Louisiana proposes that it be made a criminal offense under title XVIII of the United States Code, punishable by a fine not in excess of $10,000 or confinement for not more than 1 year, or both. So the only issue between us is whether a man is to be tried by a U.S. district court or by court-martial. That is the only issue. There is nobody in the Committee on Armed Services who has endorsed any of the action detailed by the gentleman from New York [Mr. SANTANGELO] or any of the other proposals mentioned here.

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

Mr. KILDAY. I yield to the gentleman from Louisiana.

Mr. HÉBERT. The gentleman has clearly stated the parliamentary situation. Will the gentleman allow me to get before the House an opportunity to have a vote on that issue?

Mr. KILDAY. I trust the House will act upon this bill upon the debate that appears in the House, the hearings and the report on the bill, and not those things that have been written in the newspapers.

Mr. HÉBERT. I hope that is correct, but I hope nobody raises a point of order against the language in my bill. If the gentleman raises a point of order and it is sustained, the House will not have the privilege of coming to grips with the issue.

Mr. KILDAY. The Committee on Armed Services never had jurisdiction to require a criminal penalty which the gentleman proposes. It is a matter within the jurisdiction of the Committee on the Judiciary. It is now within the jurisdiction of the Committee on Armed Services. That is the parliamentary situation. We have been accused of writing a milk toast bill for having done something we had no right under the rules of the House to do.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ARENDS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HÉBERT. Mr. Speaker, will the gentleman yield further?

Mr. KILDAY. I yield.

Mr. HÉBERT. I am glad the opportunity came up now. I will read you this language:

Title 18, United States Code, is amended by adding a new section as follows:

"SEC. 292. Whoever, being a retired commissioned officer of the Uniformed Services not on active duty, retired after having completed 20 or more years of active duty, within two years after his retirement, knowingly sells, or assists in selling, any article, including the parts thereof, in which the officer was directly connected within five years immediately prior to his retirement, to any department or agency of the Department of Defense; or recommends or suggests, to any person in any department or agency of the Department of Defense, the purchase of any article or part thereof in which the officer was directly connected within five years immediately prior to his retirement; or communicates in any way with any person in any department or agency of the Department of Defense in connection with any article or part thereof manufactured by or capable of being manufactured by any person or corporation from whom such officer receives compensation for services performed shall be fined not more than $10,000, or imprisoned for not more than one year, or both."

This language came to my attention.

Mr. KILDAY. I do not yield further on that point.

Mr. HÉBERT. The gentleman says he cannot yield. I want to prove that the gentleman's name is on the letter of transmittal.

Mr. KILDAY. There is no question but when this was under consideration many of us did write letters.

I think that that is 1 proposal; you can probably find 10 more. I do not know who wrote it; I may have written it myself; maybe the staff of the committee, or maybe the chairman. That is not the point. The point I am talking about is that we have been pilloried for having failed to do something that we could not do.

And I want to say this further, I will argue it on the merits in much more detail—unless I can get more time now—as to why a military man should be subject to trial by court-martial rather than in the U.S. district court. The military authorities have absolute jurisdiction over the enforcement of discipline in every other category. Why should we now pick out this one category and say that this portion of discipline shall be divorced from the military and from the courts-martial and placed in the Department of Justice and before the U.S. courts? Are you not going too far?

There is another matter to think about: A little bit of knowledge is a mighty dangerous thing. There does not seem to be general understanding of what section 1161 of title 10 of the United States Code involves. It gives to the President of the United States the authority to drop from the rolls any officer convicted and confined, if he is convicted in any tribunal other than a court-martial. So if you go by the civil court rule you place in the hands of the President, meaning, of course, the military departments concerned, not only the right to punish the guilty officer but to visit punishment upon his widow and orphans. Mr. Speaker, there is a great deal to be explored here and many things to be considered.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MADDEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. BENNETT].

(Mr. BENNETT of Florida asked and was given permission to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Speaker, I sincerely hope that this bill, however amended, will promptly become law in a form which will effectively protect our country against the improper influence activity which has made it necessary. Although the vast majority of military personnel on active duty and retired have done and do a fine job for their country in every respect, the exceptional or unusual cases of abuses have cried out for the correction we seek in this legislation. I also hope that the House Judiciary Committee may soon report favorably legislation which will make similar legislative reforms needed in the broad field of all Federal employment in all Government departments. I have been a sponsor of legislation in this field continuously since 1951 and it is very encouraging to me that now in 1960 we seem to be making very concrete progress.

Mr. REECE of Tennessee. Mr. Speaker, I yield the remainder of my time to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I ask unanimous consent to speak out of order.

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

There was no objection.

Mr. GROSS. Mr. Speaker, last week when the House had under consideration the $4.2 billion appropriation bill for the Department of Health, Education, and Welfare, I called attention to some of the fellowship grants under the National Defense Education Act which provided for studies in music, folklore, jazz, the theater, the ecology and economics of flowing water, and a score of other subjects wholly unrelated to national defense. In studying the hearings I also came across a research grant which is almost beyond belief. This is in the field of international research grants, and

was in effect as of January 1, 1960. I was 1 of 10 who voted against the appropriation bill and I would like to call this to your attention, those of you who voted for the bill. Here is a grant of $33,101 to the Israel Institute of Applied Social Research, Jerusalem, Israel; the project is this, and I will read it verbatim from the record of the hearings:

A test of husband and wife relationship. The aim is to develop a diagnostic pictorial test of both intrapersonal and interpersonal aspects of the role of relationship of husband and wife. The test should be sensitive to the perceptions of actual behavior and norms, and to the consonance perceived between these.

Mr. Speaker, I find no words to comment further on this utter waste of the taxpayers' money and I yield back the balance of my time.

Mr. MADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island [Mr. FORAND].

(Mr. FORAND asked and was given permission to revise and extend his remarks.)

Mr. FORAND. Mr. Speaker, I ask unanimous consent to speak out of order.

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

There was no objection.

Mr. FORAND. Mr. Speaker, yesterday marked the 25th anniversary of the social security bills being reported out of the Ways and Means Committee of this House.

The social security law I am sure all of you will admit is a most salutary one and one that I doubt anybody would want to see wiped off the statute books. It has been expanded gradually. I have been trying to expand it so as to encompass the health care of the aged.

Three years ago I introduced a bill in this Chamber for that purpose. In January of 1959 I reintroduced the same bill. Hearings have been held on it but I am unable to get it out of my own committee, the Committee on Ways and Means, to bring it before the House for a vote. Therefore, today, the third day following the 25th anniversary of the reporting of the social security law, I have placed on the Clerk's desk discharge petition No. 4.

Many, many Members of this House have been pressing me for action for a long time. Having exhausted every means at my command to bring the bill out for a vote, I had to resort to the discharge petition. After serving here for 22 years it is the first time I have resorted to a discharge petition and to resort to discharge my own committee hurts me. But now it is entirely up to you, the Members of this House. If you want to vote on health insurance for the aged under the social security law it is up to you to sign the petition. If 219 Members sign it I assure you I shall continue to do my best to get the bill not only to a vote but to have it passed.

Mr. MOORHEAD. Mr. Speaker, fear darkens the lives of millions of our elderly citizens.

It is the fear, Mr. Speaker, which comes when one is old and facing serious illness.

It is the fear which is fed by realization that all of the meager savings set aside to maintain a dignified old age will be washed away by the expenses of only one serious illness.

It is a fear made worse when there are no resources at all to pay for prolonged medical care.

Fear is the negative, wasteful type of emotion we Americans do not like to talk about. Nevertheless, it is real and must be recognized. There are times when a sense of compassionate humanity and a sense of what is right and good for the individual and the strength of the entire country require us to take decisive action to remove a particular fear at its very roots.

On January 6, 1941, in this Chamber a great American struck out against fear in a ringing declaration of the four freedoms aspired to by millions. Two of the four freedoms that President Franklin D. Roosevelt called for were freedom from want and freedom from fear.

Mr. Speaker, our older citizens today are not free from want—they are not free from fear.

We can make them free. We have the means before us now, if we will but use it, of rescuing millions of our elderly from their most pressing fear—the fear of illness which finances cannot meet.

The gentleman from Rhode Island [Mr. FORAND] has given us such a means.

He has just prepared a petition which could discharge from committee and bring to the floor of the House his bill providing hospital, surgical, and other medical benefits for millions of our older citizens.

I consider myself privileged to be among the first signers of that petition.

I hope a majority of my colleagues will sign it, for legislative responsibility, in its deepest sense, requires that we debate the Forand bill now.

An outpouring of arguments has swirled about this question. There have been millions of words eloquently favorable and acrimoniously opposed to the concept of providing prepaid medical benefits for the 15 million Americans most directly affected.

I do not, nor does the author of the bill, insist that this proposed legislation cannot be improved. I myself would like to hear debate on proposals to increase the benefits and reduce the administrative costs of the Forand bill the way automobile collision insurance is handled. Insurance companies reduce overhead by providing a $25 deductible policy for collision insurance. Statistics show that hospitalization benefits could be increased from 60 days to 365 days at the same or less cost if benefits did not cover the first 3 days of hospitalization illness.

Such amendments would strengthen the program actuarially and completely demolish arguments now used by those who oppose the bill with the scareword "socialized medicine."

Mr. Robert J. Myers, chief actuary of the Social Security Administration, has submitted to me, at my request, a memorandum in which he states:

A 3-day deductible would reduce costs by an estimated 17 percent. An increase in the maximum duration from 60 days to 180 days would increase costs by 12 percent and an increase from 60 days to 365 days would increase costs by 15 percent. Thus, the introduction of a 3-day deductible and an increase in the maximum duration to 365 days would result in a proposal that would have a cost slightly lower than the original basis.

If such amendments are necessary in order to pass this legislation, I certainly would not oppose them, because the important thing to do is to enact legislation which recognizes the need and the moral obligation to take care of it.

There is no doubt that the need exists. Letters now being delivered by the thousands to both House Office Buildings express this need more eloquently than can any of us here on the floor secondhandedly.

In addition to my own regular correspondence on this subject and my meeting with many of the elderly in my district face to face last fall during hearings of a Senate Subcommittee on Problems of the Aged in Pittsburgh, I have added reason to know how vital the problem of paying for medical care is to the elderly.

Early in January, after the first session of this present Congress had been well assessed and the second session was beginning, I sent to my constituents an annual report.

At the end of that report I left a blank space beneath a notation inviting citizens to check legislative subjects in which they had the greatest interest.

I did not specifically request replies, nor did I provide postage for this purpose. Yet, nearly 2,000 of my constituents were so interested that they voluntarily wrote to me.

On the basis of these replies, social security clearly emerged as the legislative subject of greatest interest, with many of the people saying that, when they listed social security legislation, they had in mind passage of the Forand bill.

My colleagues know well the type of letters these were:

An 81-year-old widow receiving social security writes:

By the time I pay rent, insurance, and medicine, I have little left for food. * * * I applied for old-age assistance and, because I saved enough furniture to furnish a vacant room, I was told to sell all my possessions and live in a furnished room with a hot plate to cook on. * * * Social security does not suply doctor fees or hospitalization. * * * My eyes need examined. * * * Anything you can do will be truly appreciated.

Another writes of the Forand bill:

It will be a blessing to many poor old folks who cannot afford medical and hospital care. It will also assure doctors and hospitals of being paid. * * * You are no doubt familiar with the racket in drugs being investigated. * * * It's pretty hard for the poor to pay as much as 500 percent on drugs as indicated by the * * * investigation.

A retired man in my district wrote of the plight of the elderly:

These people are badly neglected. They built this country. I, myself, worked hard for 12 cents per hour, 10 hours a day and 6 days a week, and raised a family. * * * How could I possibly have saved any money to take care of my old age?

A 72-year-old woman needing an operation for which she was unable to pay wrote:

To get public health care I would have to sign my house over to them and I don't think this is fair.

A man 78 expressed the need eloquently when he wrote:

I need medical attention at times that is high. Medicine is higher. My $69 doesn't go for luxuries, I assure you. I pray you can do something about this.

How does one answer such letters, Mr. Speaker?

Not by words. Words are empty in such cases. In decency and humanity we must answer them by action.

Consider these letters for a moment, or any other of hundreds and thousands like them which come in to us.

We learn something here about the new status of our elderly. What is this new position the older citizens occupy?

For one thing, most of them want to live independently. We have outlived the era of three and four generations in the same households.

For another thing, social security and pension programs are giving our elderly limited means to live independently, except when it comes to meeting medical expenses.

Great advances in geriatrics have given us the key to making old age a more golden time of life than it has ever been. Is this key to be denied millions? Is it to be given to millions more only in exchange for their last scrap of dignity and modest comfort, in exchange for poverty and despair?

There is something dreadfully wrong, morally wrong, Mr. Speaker, in a system which has achieved the greatest standard of medical care in the world, yet serves all too many only at the price of their entire life savings.

Medical science can do wonders in making the older years the best years if we can bring these advances to every elderly man or woman, husband and wife, in such a way that their modest retirement income can be left unencumbered to be spent for food, clothing, shelter, and small comforts.

The Forand bill will give this new life to our aged. It will give them the hospital and nursing home care and the medical and surgical treatment they need.

Critics tell us such a program is underfinanced. This argument begs the question. Let us, all citizens, finance it at whatever social security payment rate be required. The savings and peace of mind will be well worth it for every citizen.

Critics tell us we lack the hospitals and doctors for such a program. Mr. Speaker, we have lacked adequate hospital beds and a sufficient number of physicians for some years now and it is about time we build the hospitals and train the physicians necessary for the needs of all citizens of whatever age. This is the very least the greatest nation on earth can afford.

Critics tell us private insurance can meet the need, yet only a mere handful of insurance companies provide any service whatsoever for the elderly and most elderly can neither afford nor qualify for private policies.

Critics tell us such a program of benefits will cause people to go to the hospital unnecessarily. The simple device of requiring a $5 or $10 fee to cover initial administrative costs and a possible requirement that the program run from the third day of hospitalization to the 365th would render such complaints as idle as they are heartless.

The inexplicable fact remains that the administration has proposed nothing to meet this need.

The administration left its own Secretary of Health, Education, and Welfare, an able man of social conscience, out on a limb and then sawed the limb out from under him by refusing to approve any plan whatsoever, thereby compelling the Secretary to sit in painful silence when his Department, the arm of Federal Government dealing most intimately with matters of health, was asked for its views.

If a real program is blocked by the administration and the subject does find its way into the campaign, it will be as justified a domestic issue as was ever placed before the American electorate.

The simple fact is that we need a forward-looking bill of the Forand type.

I and many of my colleagues, Mr. Speaker, stand ready to consider refinements, improvements, and even compromises in this program within the broad concepts of the Forand bill.

First, however, we must bring this bill to the House floor.

I hope and pray that there will be affixed to the petition the 219 signatures necessary to do this.

In the interest of decency and humanity I urge that this be done.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10959) relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10959 with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 40 minutes.

(Mr. VINSON asked and was given permission to revise and extend his remarks.)

Mr. VINSON. Mr. Chairman, I consider this one of the most important bills that the House will consider during this session; so, therefore, I am bold enough to respectfully request the attention of the membership while I try to explain the various provisions of this bill so that it will enable you to reach an independent viewpoint when the vote comes.

Mr. Chairman, the subject of the improper use of influence by former Government officers in connection with Government purchases is not new.

The Congress of the United States has heard charges, year in and year out, for as long as I can remember, about ex-Government officials influencing the decisions of active Government officials.

As a matter of fact, I know of no words that arouse the ire and wrath of the Congress to a higher degree than that of "influence peddling."

Recently, a new allegation has arisen concerning the employment of retired military officers, particularly those of high rank.

These allegations have increased almost in direct proportion to the increase in the defense budget.

Prior to World War II, the matter received scant attention, even though a statute was enacted as long ago as 1896 prohibiting the payment of appropriated funds to active duty naval officers if they were employed by any person or company furnishing naval supplies or war material to the Government.

This law also prohibits the payment of retired pay to retired regular naval officers who are engaged in selling, contracting, or negotiating for the sale of naval supplies or war materials to the Navy Department.

Since 1923, retired Regular Army officers have been subject to the loss of retirement pay for the 2 years following retirement if they engage in selling or negotiating for the sale of supplies or war materials to the Department of Defense.

Because of the various interpretations placed upon the word "sell," and the interpretations placed upon the words "supplies" and "war materials," these limitations do not appear to be satisfactory deterrents to the possible exercise of improper influence in defense purchasing.

As the defense budgets have grown in recent years, and as the number of retired officers has increased, more and more defense supporting industries have turned to retired military officers for their aid and assistance in producing the products so vital to our security.

Today there are about 47,000 Regular officers of the Army, Navy, Marine Corps, and Air Force on the retired lists.

In addition, about 5,000 Regular officers now retire each year.

An increasing number of Reserve officers with 20 years of active duty to their credit are also retiring.

The number of Reserve officers on the retired list will increase sharply in 1961, 20 years after the beginning of World War II.

I mention this because it is important that we bear in mind the total number of retired personnel who may be affected by whatever legislation we enact.

There are more than 100,000 officers on the retired lists—from all sources and all services, and in all grades, who would be affected by this bill.

Mr. Chairman, we are dealing with a highly emotional subject. Every time the question is raised for discussion; rumors begin to fly throughout the width and breadth of Washington concerning the alleged influence these officers have on the procurement of defense items.

Last year, when the Defense Appropriation Act was being debated, an amendment was offered on the floor of the House that would have barred the employment of retired officers by defense contractors, and prohibited payment to those contractors who employed retired officers within a period of 5 years after separation from active duty notwithstanding the type of work they did.

Fortunately, this amendment was defeated, but it sounded a clarion call that the House was again aroused about retired officers of the military services who are employed in defense supporting industries.

Many persons are convinced that retired officers influence the sale of defense items to the Nation and by inference it is implied that such items are unnecessary overpriced, or are tainted in one form or another.

The Committee on Armed Services took cognizance of the fact that this House wanted a thorough inquiry into the whole question of the employment of retired officers by the defense supporting industries.

I assigned this difficult, complex, emotion-packed subject to the special investigating subcommittee of our committee, under the chairmanship of the very able and distinguished gentleman from Louisiana [Mr. HÉBERT].

The Hébert subcommittee began its hearings on July 7, 1959. They released their very thorough final report, which I approved, on January 18, 1960.

The subcommittee conducted a survey of 72 of the largest defense supporting companies to determine the number of retired military officers employed by these contractors.

The survey discolsed that there were 1,426 retired officers employed by these 72 companies. Of these 1,426 officers, 251 were retired generals or admirals.

The subcommittee, in my opinion, did an outstanding job in analyzing the entire problem.

In fact, no subcommittee could have worked harder in its effort to bring into proper perspective all of the complexities surrounding the matter.

The subcommittee filed its report on January 18, 1960, and then submitted a bill to the full committee in order that the full committee might share its combined judgment with that of the subcommittee in an effort to present to this House a recommended solution to the problem.

Mr. Chairman, we all know what we are trying to prevent.

We are trying to prevent retired officers, and particularly retired officers of high rank, from using their past connections with the military services in such a way as to influence the selection, or purchase, by the Government, of an item manufactured by the company for whom they work.

Now this is what we are trying to stop. We are trying to stop influence from being improperly exercised by retired officers of high rank.

But note this: The subcommittee, after inviting every Member of the House to testify, and after hearing the testimony of Members and others, did not disclose a single instance in which an officer, retired from the military service, had exercised influence on someone in Government to the extent that the product manufactured by his company was selected.

No evidence of improper use of influence was disclosed.

Notwithstanding this, everyone seems to be in accord that "improper influence" either exists or comes so close to existence as to be identifiable.

Even though no case was established—in fact, even if no influence has ever been exercised by any retired officer on the procurement of any item by any armed service—nevertheless, it is time for the Congress to write a law that will make the improper use of influence by retired military officers much less likely than that which may be possible under present law.

Our objective, then, is to deflate influence, publicize its availability, lessen its marketability, and yet preserve human dignity and the defense effort.

Now, how do we accomplish these objectives in the bill before the House today?

Well, here is what the committee bill, H.R. 10959, as reported by the Committee on Armed Services, will do.

First. The bill says that a commissioned officer, other than an officer who served on active duty for less than 8 years, who, within 2 years after release from active duty, for himself or any other person, engages in any transaction the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense shall not be entitled to receive his retired pay while employed during this period.

Second. It provides that a retired commissioned officer who agrees to accept compensation from anybody in any transaction, the purpose of which is to sell or to aid or assist in selling anything to the Department of Defense, shall file a statement with the Secretary of the Department concerned, of the fact and time of such agreement, together with such additional information concerning the duties to be performed in such transaction as the Secretary may require.

If there is any change in his status, after filing this information, he is required to notify the Secretaries of the Departments concerned.

Third. Each of the Secretaries of the Military Departments will be required to establish an enrollment office for the filing of the information required by the proposed legislation.

The information obtained will be open to public inspection—and this, I might add, is important.

Finally, a person, firm, or corporation awarded a defense contract shall, as soon as the contract has been awarded, advise the Secretary concerned of all retired military officers employed by said contractor. The prime contractor is required to obtain this information from his subcontractors.

The proposed legislation also provides that all invitations for bids or proposals must contain this information.

Any retired officer, or company, who fails to comply with the provisions of the proposed legislation will have his retired pay, or contract payments, whichever may be the case, suspended until the information is furnished.

Now, in addition to this, the House will note that the word "sell" has been broadened from existing law to include aiding or assisting in the selling of anything to the Department of Defense. Existing law is confined to "supplies or war materiels" and is susceptible to many interpretations.

Finally, the proposed legislation repeals a Navy statute which puts a lifetime ban on the receipt of retired pay for Navy and Marine Corps officers who sell naval supplies or war materiel to the Navy Department at any time after their retirement.

All retired officers will be subject to the same 2-year ban after retirement under the proposed legislation if they engage in any transaction, the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense.

In the report, we define "selling" as "all negotiations which bring a contractor and his representative into contact with officials of the Department of Defense or to the Armed Forces for the purpose of obtaining contracts from those Departments for the procurement of tangibles or intangibles in existence at the time or to be produced in the future. The participants in such transactions are a part of that process."

Now what have we accomplished?

First, we make the laws uniform for all retired officers.

Today the law is different for the Navy than it is for the Army and Air Force, and it is different for the Reserve than it is for the Regular, even though their retired pay may be the same.

Second, we say to a retired officer that for 2 years following retirement or release from active duty he may not, for himself or for any other person, engage "in any transaction, the purpose of which is to sell, or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States."

If an officer, notwithstanding that caveat, does engage in selling, or aids or assists in the selling of anything to the Department of Defense or an armed force of the United States, he may not draw his retired pay, for 2 years following his retirement, while so employed.

Now that is not all that this bill does. It also broadens the definition of selling to include all transactions which result in contracts with the Department of Defense.

But beyond that, it requires retired officers who receive compensation from any company for any transaction the

purpose of which is to sell or to aid or assist in selling anything to the Department of Defense or an armed force of the United States after he enters into that agreement, to file a statement with the Secretary of the Department with which he intends to do business stating the fact and time of such agreement and any other additional information concerning his duties the Secretary may require.

And this is also true if he engages in business for himself.

A retired officer after filing this information is required to notify the Secretaries of the Departments with which he does business, of any change in his status.

This will be a permanent requirement, with no expiration date.

Now this is to be the requirement imposed by the proposed law on the retired officer. If the officer fails to comply with this proposed requirement, there is no question that he can be court-martialed under the Uniform Code of Military Justice.

But, in addition to this, the Secretary of each Department will establish an office for the enrollment of retired officers who are requested to furnish the information I have just mentioned.

Officers now on the retired list within 6 months after this bill becomes law will be furnished a suitable form upon which the information required may be supplied.

So far, what I have discussed concerns the enrollment of retired officers who are engaged in selling, or aiding or assisting in the sale of anything to the Department of Defense.

Thus, this is what the law imposes upon the retired officer.

But the bill also says that any company awarded a defense contract shall advise the Secretary concerned in the Department of Defense of all retired military officers employed by said contractor.

And it even goes further to say that the prime contractor must obtain similar information from the subcontractors and file that information with the Secretary concerned. This requirement will also be included in all invitations for bids and proposals.

The retired officer who fails to comply with the provision of this section can have his retired pay suspended until the information is furnished; and the contractor who fails to file the information can have his contract payments suspended until the information is furnished.

We thus deflate influence by publicizing its availability, and as a result, reduce its marketability.

Now, Mr. Chairman, on Tuesday, April 5, the Committee on Armed Services met in open session.

At the request of the distinguished gentleman from Texas [Mr. KILDAY], the committee at that time adopted a substitute bill, which Mr. KILDAY will offer at the conclusion of the general debate on the bill before the House.

At the same time the committee rejected, by a vote of 24 to 10, a substitute bill offered by Mr. HÉBERT, which sought to impose a criminal penalty, as a part of the criminal code, upon any retired officer who engaged in selling within 2 years after retirement, or any company who employed such a retired officer. After rejecting the substitute offered by Mr. HÉBERT, the committee, by a vote of 25 to 8, adopted the substitute bill offered by Mr. KILDAY which was introduced yesterday, and is now H.R. 11576.

The substitute bill, which Mr. KILDAY will offer, contains the identical language of H.R. 10959, which is now before the House for general debate, except for three important additions.

Thus, the substitute provides that a retired officer who engages in any transaction, the purpose of which is to sell or to aid or assist in selling anything to the Department of Defense within any time during the 2-year period following his release from active duty, shall forfeit 2 years of his retired pay.

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

Mr. VINSON. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Did you not also go further and adopt the language which I submitted, and make the act an unlawful act?

Mr. VINSON. We made the act an unlawful act yesterday.

Mr. HÉBERT. That is correct. That was the language of my proposal. You adopted my words, "It shall be unlawful."

Mr. VINSON. The Armed Services Committee is indeed fortunate that it has the benefit of the counsel and advice of our distinguished friend from Louisiana. We profit oftentimes by his words, and I say that sincerely.

Mr. HÉBERT. But you did adopt my language.

Mr. VINSON. If we did, we thought it was language that was correct. We adopt anyone's language, irrespective of the source, if we think it is correct. We reject that, no matter where it comes from, if we think it is wrong.

Mr. HÉBERT But you did adopt it.

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

Mr. VINSON. I yield to the gentleman from Texas.

Mr. KILDAY. I suppose I should say, inasmuch as the proposed substitute which the gentleman says bears my name was adopted, that you did adopt it.

Mr. VINSON. That is right.

Mr. HÉBERT. I thank the gentleman from Texas very much. It would be so much simpler if our chairman was so direct.

Mr. VINSON. I wanted to compliment the gentleman. I did not want just to say "Yes." That would not have been sufficient.

The substitute bill adopted by the committee makes it unlawful for any commissioned officer of the Armed Forces of the United States, within 2 years after release from active duty, to engage in any transaction, the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense.

Now why do we make this unlawful?

Well, we make it unlawful so that there will be no question that a retired officer who actually engages in any transaction, the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense within the 2 years following his release from active duty, subjects himself to the jurisdiction of a court-martial.

The Uniform Code of Military Justice, under article 134, permits the armed services to court martial a retired officer of a regular component who brings discredit upon his service. An officer who commits an unlawful act under the substitute bill will bring discredit upon his service, and thus subject himself to court martial under the Uniform Code of Military Justice.

Under the bill now before the House, it would be possible for a retired officer to be employed for 1 month, in violation of the law, and only lose 1 month's retired pay.

The substitute bill imposes a clear loss of 2 years of retired pay upon any retired officer who, within 2 years following his release from active duty, engages in any transaction the purpose of which is to sell or to assist or aid in the selling of anything to the Department of Defense.

The forfeiture under the substitute bill will be clear; the forfeiture will be meaningful; the forfeiture will mean the loss of 2 years of retired pay.

And, finally, the substitute bill, to remove any doubt, adds a new section 3 which provides that any retired commissioned officer subject to the Uniform Code of Military Justice who violates any provision of the proposed legislation shall be tried by court-martial and, upon conviction, shall be punished as the court-martial shall direct.

Thus, the substitute bill imposes a clear 2-year loss of retired pay; it makes a transaction involving the sale of anything to the Department of Defense within 2 years following release from active duty unlawful; and, finally, any retired officer who violates such a provision of law will clearly be within the provisions of the Uniform Code of Military Justice, and thus subject to court-martial.

It also contains the identical requirements with regard to the enrollment of retired officers and the publication of such information as is contained in the bill now before the House.

Now, Mr. Chairman, I think there is unanimous agreement on what we are trying to accomplish.

There are some, I am sure, who will insist that any retired officer who engages in selling or assists or aids in selling anything to the Department of Defense following his retirement should be branded a criminal.

The Committee on Armed Services is of the opinion that its approach is proper and effective, and can accomplish the desired result without resorting to criminal sanctions.

What we are dealing with here involves a question of morals, and the conduct of men who, for the most part, have, for

more than 30 years, held in their hands the responsibility for the defense of the Nation.

If we adopt a law which makes it a crime we will deny these men hereafter retired the right to earn a livelihood in the one field in which they are experts, because no reasonable, honorable, intelligent man will go mountain climbing on the jagged and unknown edges of the criminal code.

No intelligent man, and certainly no honorable man, would consider exposing himself and his family to the possible loss of his reputation by being branded a criminal.

No sensible man will knowingly engulf himself in a rubber-band law that can be stretched to include him, and snapped to break him.

The loss of retired pay for 2 years, the public disclosure of those who are engaged in selling, exposure to military court martial, together with the disclosure of those who work for defense-supporting industries is a reasonable, sound approach to the problem we seek to solve.

But if we make this law a part of the criminal code, we will do grave injury to the defense efforts of the Nation.

These men have a special type of knowledge that is valuable to our defense effort.

We must protect anything that aids our defense effort.

But of even greater significance is the fact that we will deny to the Nation the special knowledge that these men have acquired if we convert this proposal to a criminal statute.

In our struggle with world communism, and in this age of galloping technology, during this transition period from the conventional field to the missile era, we can use every ounce of gray matter that is in the heads of our citizens.

A criminal statute will become an iron curtain for 2 years to the utilization of this great talent within these individuals.

We cannot afford to jeopardize our defense efforts at this critical point in our history by making it a crime for a retired officer to be employed by a defense-supporting industry.

The Committee on Armed Services does recommend that we deprive an individual of his retirement pay for 2 years if he engages in any transaction, the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense. We do recommend that he be subject to court-martial.

But we do not recommend that such action subject an officer to criminal sanctions.

The Committee on Armed Services agrees that we must make every reasonable effort to deflate any possible use of influence. We state very clearly, in the committee substitute, which I have previously discussed, that an officer who violates any provisions of the proposed legislation will be subject to court-martial.

Mr. Chairman, I do not believe that any of us wants to injure the security efforts of the Nation by depriving the nation, through its defense contractors, of the services of men who make highly significant and extremely valuable contributions to our security interests.

Because we sense that there is something unethical about an officer immediately following his retirement engaging in the actual sale of anything to the Department of Defense, I think it is proper that we expose him to court-martial and the loss of his retired pay for a period of 2 years should he engage in that kind of activity.

We all want to stop any possible unethical exercise of influence by retired officers, and anyone else as far as that is concerned, but in our effort to solve a problem that so far has not been identified, let us not create another obvious problem by bringing about an irreparable break in the defense efforts of the Nation.

In an effort to solve the headache of influence peddling, let us make sure that the solution consists of proper medicine to eliminate the headache, and not decapitation. Both have the same results, but each employs a different method of procedure.

Mr. Chairman, we believe that the substitute bill that will be offered by the distinguished gentleman from Texas [Mr. KILDAY], and which has been approved by a vote of 25 to 8 by the Committee on Armed Services, is the proper solution and the proper approach to this entire matter.

We ask the House to support this substitute bill when it is offered.

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

Mr. VINSON. I yield.

Mr. WHITTEN. As the gentleman knows, I am a member of the subcommittee handling defense appropriations. As I read this bill the question that arises in my mind is that the bill is limited to selling. The gentleman, of course, is familiar with the instance where high ranking officers were entertained by the Martin Company in Bermuda, high ranking military officers who may not be selling but who may have great influence in determination at the policy level in the Defense Department as to which company will get which contract. In that case they were Regular officers. It strikes me that this bill does not touch a situation which could result in far greater expense to the country than the influence of a man who might actually be selling material. I just wonder if the gentleman investigated that feature of it.

Mr. VINSON. The Committee on Armed Services has an immense amount of responsibility. We cannot do everything in 1 day at one time. We are working all the time, when Congress is in session and when Congress is not in session. We will try to look into that phase. It is a very pertinent question.

I was shocked, we all were shocked, when these high officials who have the power to grant contracts began fraternizing with officials of the interested companies.

Government officials must be like Caesar's wife, above suspicion. That is probably one reason why I myself do not accept many engagements. When the sun goes down I generally go home and stay there. I just do not want to be placed in an atmosphere such as that.

I thank the gentleman for his suggestion. We will try to follow it out. We will look into it, but we cannot look into it in this bill right now.

Mr. WHITTEN. If the gentleman will yield further, does the gentleman believe our Appropriations Subcommittee should look into that area with regard to fixing limitations on these funds? That is our responsibility.

Mr. VINSON. I will say that is not the way to legislate.

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

Mr. VINSON. I yield.

Mr. KILDAY. The instance to which the gentleman from Mississippi refers involved officers on active duty.

Mr. VINSON. That is right.

Mr. WHITTEN. May I say the point I was getting was that "selling" in the bill is a limited and narrow field, and if we confine the bill to that we are probably letting off those whose actions may have a much bigger effect on the cost of contracts.

Mr. KILDAY. What I wanted to say was that adequate authority now exists for the punishment of persons on active duty. Adequate authority exists with the executive branch of the Government to discipline even civilians, as the Chairman of the Federal Communications Commission recently learned to the extent of forcing his resignation; and the Uniform Code of Military Justice contains a number of specific provisions under which the Department can proceed. The President can proceed in his own right as Commander in Chief against an officer on active duty with practically no limitation on what he does.

Mr. WHITTEN. I would like to clean this up.

The point I was making is this: I refer to the penalties in this bill which, in the first place, are limited to losing retired pay for 2 years. If he is getting $100,000 a year in salary that is not important.

Mr. VINSON. He is subject to court-martial.

Mr. WHITTEN. I quote: "Who is to sell or to aid or assist in the selling of anything to the Department." If a retired admiral or general, and there are some in that category, have sufficient influence that at the Defense Department level they can convince them as to whether they should go for submarines or for carriers or Bomarcs or go for another missile, it may be 10 times more expensive in dollars. But apparently he would not be covered under this bill.

Mr. VINSON. I think the language is so broad that it would cause a great many retired officers to hesitate to ever walk into the Pentagon again.

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

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

Mr. LINDSAY. The key word here is "transaction." Supposing you had a retired officer who was seeking to obtain

a contract for research purposes only, service purposes, but a very lucrative one, where there are no sales as that term is generally used. Would this bill cover it?

Mr. VINSON. I would say if the word "sale" is strictly interpreted, if it contributed to giving birth to anything, I would say that it is possible.

Mr. LINDSAY. I have one more question, if the gentleman will yield further. Why is it necessary—and I am really looking for enlightenment on this—to broaden this out to a transaction involving sales in every area? Why would you not cover the purpose by limiting the bill to those areas where the retired officer had previously had some jurisdiction or responsibility?

Mr. VINSON. We want to stop this constant talk that there is influence peddling. The country is concerned and also the Congress, and there must be some justification because of all this smoke that rises every year on this subject matter, that the time has come to write some law with teeth in it to stop it, and the committee has brought in a bill that can accomplish it.

Mr. GROSS. Mr. Chairman, will the gentleman yield for a question to clarify this situation?

Mr. VINSON. I yield.

Mr. GROSS. There is no use to pay any attention to H.R. 10959, then.

Mr. VINSON. You are correct.

Mr. GROSS. The bill that the gentleman now supports is what, H.R. 11576?

Mr. VINSON. That is right. That is the bill that the committee yesterday, 25 members in the affirmative and 8 in the negative, voted out, which will be offered by the gentleman from Texas [Mr. KILDAY] to take the place of H.R. 10959.

Mr. GROSS. H.R. 11576 and the amendments that the gentleman from Louisiana will attempt to offer?

Mr. VINSON. I am talking about the committee bill.

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

Mr. VINSON. I yield.

Mr. MEYER. I would like a little clarification as to the true objective of this bill. In connection with the question asked by the gentleman from Mississippi, are we trying merely to prevent the officers from getting their retirement pay and also serving in a defense industry, or are we attempting to block any possibility that there could be charges made of influence peddling, collusion, or corruption? What is the real objective?

Mr. VINSON. The real objective is to stop all that the gentleman is talking about. That is the real objective.

Mr. MEYER. Then, how can we do this if we merely stop him from getting his retirement?

Mr. VINSON. Because he is also subject to court-martial, and that can involve a penalty. My recollection is that the maximum penalty in courts-martial can run as high as 5 years. Now, I know this: that, the way things are happening, oftentimes in a Federal court a man has a far better chance in that court than he does before a court-martial. A court-martial is a pretty severe thing.

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

Mr. VINSON. I yield to the gentleman.

Mr. MEADER. Mr. Chairman, first I may say that I have the privilege of sitting on a subcommittee of the Committee on the Judiciary which has been considering conflict-in-interest legislation and heard extensive testimony. This is not an easy field in which to legislate.

Mr. VINSON That is right; exactly.

Mr. MEADER. My question relates to the report of the Hébert committee. As I recall it, the gentleman said that there were some 1,420 retired officers employed by 72 defense contractors.

Mr. VINSON That is right.

Mr. MEADER. And of those there were some 250 generals and admirals.

Mr. VINSON. That is right.

Mr. MEADER. Can the gentleman tell me for what function those retired officers were employed by those defense contractors?

Mr. VINSON. Of course, I do not know. The questionnaire that we sent out I had the privilege of helping draft, and contributed my limited, mediocre ability to the shaping of it. We tried to find out what they were there for and we got some explanation of it.

Mr. MEADER. Were any of them salesmen?

Mr. VINSON. They said they did not sell. But there is a gray area. It is an area in which the Congress should legislate through this bill. If you pass this bill you will accomplish something worth while by stopping, at least, all of this conversation and newspaper talk that something crooked or improper is going on in the Pentagon.

Mr. MEADER. If the admiral or general became a salesman he would be affected by this bill. But if he were doing something else, perhaps as president of the company, or if he were doing something concerned with design or research, he would not be touched by this bill?

Mr. VINSON. That is the reason I read the definition of sale.

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

Mr. VINSON. I yield to the gentleman.

Mr. BECKER. Mr. Chairman, I would like to associate myself with my distinguished chairman of the Committee on Armed Services and compliment him for the very able statement he has made.

I might say in conclusion that I have done this without any persuasion by the chairman, and willingly from the very beginning.

Mr. Chairman, I compliment the gentleman, the chairman of my committee, for the very fine way he has presented the matter and I hope his views will prevail.

Mr. VINSON. I thank the gentleman and I trust the House will sustain the Committee's position. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore, Mr. WALTER, having assumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10959) relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces and for other purposes, had come to no resolution thereon.

COMMITTEE MEETING DURING SESSION OF HOUSE

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the Small Business Committee may sit this afternoon during general debate.

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

There was no objection.

BROADCASTING IN THE PUBLIC INTEREST

(Mr. CELLER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CELLER. In taking the floor today, Mr. Speaker, I have no intention to condone any of the grave abuses which have cast discredit on the broadcasting industry, or to deprecate the need for remedial legislation. On the other hand, I feel that we will do well if any such legislation is considered calmly, in an atmosphere free from the heat engendered by some of the more flagrant disclosures. In this atmosphere there has been a tendency for wholesale condemnation of broadcasters' practices, whether justified or not. Too often we are deterred by the impact of disclosures of wrongdoing from examining the total picture and recognizing positive and significant contributions in the public interest. Yet, unless we evaluate the entire picture—taking into account the achievements of broadcasting as well as its failures—we will be in no position to legislate effectively in the public interest.

The dark side of the broadcasting picture is clear to see, and it is an unhappy fact that the confidence of the American people in the great broadcasting media of radio and television has been severely shaken. This is perhaps an inevitable consequence of recent broad-scale revelations of rigged quiz shows, of payola in the exploitation of music, of deceptive advertising in radio and television presentations.

These revelations come on the heels of earlier disquieting disclosures by the Antitrust Subcommittee, of which I am chairman, concerning seriously restrictive practices on the part of networks and others in the television broadcasting industry and a tendency by the Federal Communications Commission to identify the functions of its office with the private interests of those subject to its jurisdiction.

On top of these reflections upon the morality displayed by some persons in the broadcasting industry, and upon the discretion of those charged with the responsibility for industry regulation, come charges leveled at the general quality of broadcast programs. I, too, have often been impelled to protest the lack of taste and imagination which sometimes characterizes broadcast programs.