

budget deficits need not concern us. We do not share this view.

The experience of the past suggests that it would be reckless to ignore the inflationary dangers posed by persistent and increasing deficits. The state of economic learning is neither so advanced nor so precise as to safely admit any other conclusion as a guide to policymaking. Sound long-term economic growth cannot be based upon a foundation of budget deficits. Furthermore, we cannot ignore the adverse effects such deficits could have on our continuing balance-of-payment problem and on the entire free world trade and payments system.

Recognition of the potential dangers of chronic budget deficits is implicit in your proposed tax program. As one of its objectives, the program seeks to bring the budget into balance by stimulating economic activity and thus increasing revenues.

We should not, however, pin all of our hopes for ending our chronic deficits on the possibility of rapidly rising tax revenues. It is clear that hard thought must be given to the other side of the ledger—to controlling rapidly increasing Federal expenditures.

We do not suggest an across-the-board cut in Federal spending. In view of the Nation's domestic needs and international and security commitments, such an approach would be self-defeating. What we should seek, however, is a reform of Federal expenditure policy so as to effect important savings without impairing the national interest or retarding economic growth. Indeed, thoughtful and selective control of Federal expenditures can increase our national security and stimulate our economic growth.

In view of these considerations, we believe that Federal expenditure policy requires thorough, objective, and nonpartisan examination. Support for the principle of tighter control and more effective use of Federal expenditures is virtually unanimous; support for specific suggestions for achieving it is more difficult to attain. The difficulty of the task, however, should not deter us from making the attempt.

In our separate minority and additional views to the Joint Economic Committee's 1963 Annual Report, we made several specific suggestions which we believe offer a sound basis for a reform of Federal expenditure policy. At this time, we wish to call one of these recommendations to your attention and ask that you give it your serious consideration.

As an essential step to a reform of Federal expenditure policy, we suggest that you appoint a Presidential Advisory Commission on Federal Expenditures, composed of private citizens from business, labor, education, the professions and Members of Congress equally from both parties. The work of this Commission, assisted by a staff, should parallel the 3-year period over which your tax program is scheduled to take effect. During this period, the Commission should conduct studies and periodically make public its recommendations in the following areas:

(a) Establishment of spending priorities among Federal programs, separating the desirable from those that are essential, in order to serve as a guide to the administration in drawing up the budget, particularly in years of expected deficits.

(b) Appraisal of Federal activities in order to identify those programs which tend to retard economic growth and for which expenditures should be reduced or eliminated.

(c) Improvement of the Federal budgeting and appropriations process in order to increase the effective control of expenditures.

(d) Examination of responsibilities and functions which are now assumed by the Federal Government, but which could be better performed and with superior effectiveness by the private economy.

(e) Review of Federal responsibility and functions in order to determine which could be better performed at the State and local levels.

(f) Improvement of Government organization and procedures in order to increase efficiency and promote savings, including a review of the recommendations of the Hoover Commission in order to determine how those already implemented have worked out in practice and whether those not yet implemented should be given further consideration.

(g) Determination of policies with regard to the level of user charges and fees to be made for special services furnished to members of the public by the Government.

The recommendations of an objective and nonpartisan Commission of the kind described should command widespread support among the public and within the Congress. Its proposals would offer a sound basis upon which to begin the reform of Federal expenditure policy.

In view of the relevance which expenditure control has for the success of a tax reduction and reform program, we earnestly hope you will give this recommendation your early and favorable consideration.

Respectfully yours,

THOMAS B. CURTIS.  
CLARENCE E. KILBURN.  
WILLIAM B. WIDNALL.  
JACOB K. JAVITS.  
JACK MILLER.  
LEN B. JORDAN.

BUREAU OF THE BUDGET,  
Washington, D.C., May 25, 1963.

HON. THOMAS B. CURTIS,  
House of Representatives,  
Washington, D.C.

DEAR MR. CURTIS: The President has asked me to convey to you and your minority colleagues on the Joint Economic Committee his thanks for your thoughtful letter of March 19, concerning Federal tax and expenditure policies and the goal of a prosperous and growing economy.

We welcome your support for the view that a wisely-conceived program of tax reduction and reform will contribute to improving the rate of growth of our economy. We are pleased, also, to note that you dismiss an across-the-board cut in Federal spending as self-defeating—a view in which we fully concur. Finally, let me say that we welcome and appreciate your recognition that the President's fiscal program seeks to eliminate budget deficits by the method which we regard as most constructive and most promising—an expansion in economic activity and in Federal revenues stimulated by the realignment of our tax system.

The continued exercise of expenditure discipline is a vital part of the President's fiscal program. As you know, the President's administrative budget recommendations called for the total of all expenditures other than defense, space and interest to decline slightly from 1963 to 1964. Since the 1964 budget was submitted to the Congress in January, this continuing search for economies has enabled the President to reduce his appropriation requests by \$615 million for fiscal 1964 and an additional \$235 million for fiscal 1963.

Rigorous expenditure control will characterize future budgets as well. In his 1964 budget message, the President said:

"As the tax cut becomes fully effective and the economy climbs toward full employment, a substantial part of the revenue increases must go toward eliminating the transitional deficit."

This means that the transitional deficit is to be reduced by holding any necessary increase in expenditures to an amount substantially below the accompanying increase in revenues. To help in achieving this ob-

jective, we intend to pursue budgetary savings through (1) the further substitution of private for public credit; (2) the search for opportunities to reduce expenditures in existing programs whose relative urgency may have diminished with changing times and circumstances; (3) the further extension of the user charge principle; and (4) intensified emphasis on efficiency and cost reduction throughout the Government. In other words, we expect to intensify our efforts to include in the budget only those expenditures which meet strong criteria of fulfilling important national needs and to insure that those needs are met at the lowest possible cost.

Taking all of this into account, we believe that the established procedure, under which the President presents his budget estimates and legislative program for review and decision by the Congress, is the most satisfactory approach to determining sound Federal expenditure policies. While an advisory commission such as you suggest might perform a constructive collateral service through stimulating informed discussion of fiscal policy and program objectives, we are not able to see how it could make a direct or significant contribution to the resolution of those issues of public policy which constitutionally and properly rest with the President and the Congress. In fact, by obscuring public understanding as to the locus of responsibility for resolving such issues, its efforts might well lead to an opposite result. For these reasons, the President is unable to join you in recommending that such a body be established. We very much appreciate, however, the constructive and cooperative spirit in which your proposal was made.

Sincerely yours,

KERMIT GORDON,  
Director.

(Mr. O'HARA of Illinois asked and was given permission to extend his remarks at this point in the Record.)

[Mr. O'HARA of Illinois' remarks will appear hereafter in the Appendix.]

#### BRACEROS NEEDED TO HARVEST PERISHABLE CROPS

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

MR. GATHINGS. Mr. Speaker, the gentleman from Texas [Mr. GONZALEZ] has just addressed the House with regard to the bracero program. He quoted one small part of an article that appeared in the Christian Science Monitor. I would like to ask the gentleman from Texas to quote the full article from the Monitor as it portrays both sides of the issue. I have that article in my office. I wish I had it here now to read it. But he picked out one part of it out of context. Now I want to say to the gentleman from Texas that his colleague, the gentleman from Texas, JOE KILGORE, sent me a file a day or two ago that was sent to him by Mr. Will Wallace, a constituent from Edinburg, Tex. Mr. Wallace had 500 acres of cantaloups that badly need to be harvested. He went to see a labor leader, Mr. Bob Sanchez, an attorney in the county seat where Edinburg is located. This labor attorney represented the Spanish-speaking people in that vicinity who did agriculture work.



The SPEAKER. The time of the gentleman has expired.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. All business being disposed of, if there is no objection, the gentleman may proceed.

There was no objection.

Mr. GATHINGS. After the two men had arrived at an understanding Mr. Wallace asked the labor leader to work up a contract to suit himself so that he could harvest the 500 acres of cantaloupes. A contract was executed and agreed to. Here is what happened. Instead of 70 cents an hour which was the prevailing wage in the community, the contract called for 75 cents an hour with an additional 25 cents an hour if they stayed until the harvest was completed. He said in this letter to Joe, it just "could not miss," it was bound to work, "but miss we did." The result was it did not work. He did not get sufficient labor, although he bought 200 spot announcements in Spanish over the radio and distributed hand bills in quantity.

On the first day, May 15, 1963, only 34 turned out to work. On the next day it was 41. On May 17, 30 worked. On May 18 only 15 workers came to work. He needed about 200 or more workers to harvest the cantaloupes. Starting on May 25 the school officials sent football players and they did well in the harvest. Our people do not like to do this back-breaking field work. Those who have opposed this Mexican program over the years have said constantly, "If you pay enough you will get the labor." Here is what happened in Edinburg, Tex. Thirty cents an hour in excess of the prevailing local rate was offered and the workers in sufficient number could not be found. Bracero labor is the only dependable source and there will be no law on the statute books authorizing a supplemental supply of labor from the Republic of Mexico unless the law is extended. Crops that cannot be cultivated and harvested by mechanical means will deteriorate and rot in the fields. Food prices will soar.

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

Mr. WAGGONER. Mr. Speaker, I ask unanimous consent that the gentleman from Arkansas [Mr. GATHINGS] may proceed for an additional minute.

The SPEAKER. The Chair will state that the Chair is permitting this request although the Chair does not consider this is to be the 1-minute period such as we have before proceeding with the regular business of the House.

Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. GATHINGS. I thank the Speaker and I am grateful to him. I also appreciate so much the gentleman from Louisiana asking for this additional minute.

Mr. Speaker, I would like to continue this little story and I want also to extend my remarks and to include the file that JOE KILGORE sent to me.

Mr. HAYS. Mr. Speaker, reserving the right to object, perhaps it ought to go

into the Appendix or anyplace else. How big is this article? Would the gentleman withdraw his request at this time and continue with his talk at this time?

Mr. GATHINGS. I will withdraw the request and wait until I do have the article so that I can show it to the gentleman from Ohio.

But suffice to say, Mr. Speaker, cantaloupes need harvesting when they are ripe and ready to harvest. That is the same situation that exists with reference to strawberries and citrus fruits and various vegetables. You have to have the labor to harvest these crops at the right time. I wish more of our folks would work at farm jobs but they are on relief and they are getting unemployment and other checks and commodities and they do not want to do this kind of work. That is understandable as it is hard work. We do need this law extended. It was only by a 16 vote margin that this House turned down the proposed extension for 2 years of the bracero law. When the facts are known, the legislation will pass as it benefits the farmer, consumer, the worker, and the economy of Mexico.

The SPEAKER. The time of the gentleman has again expired.

#### REQUEST FOR PERMISSION TO ADDRESS THE HOUSE

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

Mr. BROMWELL. Mr. Speaker, I object.

#### MENTAL RETARDATION

(Mr. FOGARTY asked and was given permission to address the House for 1 minute and include bills pertinent thereto.)

Mr. FOGARTY. Mr. Speaker, in my opinion, Mr. Speaker, the administration bill to combat mental retardation and improve mental health will not adequately do the job intended. The omnibus approach to this type of legislation has been found to be ineffective and subject to considerable objection and delay.

Because of this and after much study and consultation, I am today introducing for appropriate reference three separate bills confined solely to the area of mental retardation. These three bills, taken together, comprise the essential components of a unified and effective program to combat the problem.

The first of these three bills relates to a greatly increased maternal and child health and crippled children's program. The second concerns the construction of clinical and service centers for the mentally retarded in the community, and the construction of research centers and mental retardation facilities that are affiliated with university and medical school programs. The third contains provisions for the training of teachers of the mentally retarded and for research and demonstration projects relating to the education of mentally retarded chil-

dren. I am including the bills and a summary of them at the end of my remarks.

Mr. Speaker, these bills contain many of the provisions in the bills previously introduced, to carry out President Kennedy's mental retardation program.

The first of these three bills is, in fact, identical with the maternal and child health and mental retardation planning bill, H.R. 3386. My motive for introducing an identical bill is this: I wish to leave no doubt in anyone's mind as to where I stand in relation to the provisions of these bills. I am for these provisions, and I consider their adoption by this House to be of critical importance.

However, despite the similarities between the other two bills I am introducing today and the bills that were previously introduced, I consider the differences between these bills to be essential to the successful enactment of the President's general proposals and the implementation of his goals.

The essential differences are these:

Unlike H.R. 3689, entitled "The Mental Retardation Facilities Construction Act of 1963," my bill contains a separate title to provide grants for the construction of university-affiliated facilities for the mentally retarded. These grants are to be made whenever or wherever a university or medical school is ready to develop a suitable facility, quite apart from the readiness—or lack of readiness—of the State to develop community mental retardation facilities under the State formula mechanism described in H.R. 3689.

H.R. 3000, entitled "The National Education Improvement Act of 1963," is the administration's omnibus education bill. It consists of six titles, and contains provisions for such educational matters as modern foreign language training and research, student work-study programs, public community libraries, and adult basic education. Of the 182 pages of the printed bill, less than 4 pages relate exclusively to the educational problems of the mentally retarded.

Mr. Speaker, I maintain that the educational problems of the mentally retarded are too important a matter to be buried in the center of an omnibus bill.

I would like, too, to reaffirm the fact that my interest in providing for appropriate educational opportunities for the mentally retarded has not decreased since I introduced in this House the bill which later became the act of September 6, 1958—Public Law 85-926—and which H.R. 3000 seeks to amend.

Mr. Speaker, I consider this a suitable occasion on which to refocus the attention of this House upon the goals of the President's proposals relative to mental retardation.

As stated in his message of February 5, these include, first, the prevention of the occurrence of mental retardation; second, the providing of facilities and programs for research and for early diagnosis and continuous and comprehensive care, in the community, of those suffering from mental retardation; third, the restoration and revitalization of the lives of the mentally retarded in the com-



munity through better health programs and strengthened educational services; and fourth, the reinforcing of the will and capacity of our communities to meet the problems of mental retardation, in order that the communities, in turn, can reinforce the will and capacity of individuals and individual families to meet these problems.

The President emphasized in this message that if our Nation is to live up to its own standards of compassion and dignity and achieve the maximum use of its manpower, we must, as a Nation, seek to bestow the full benefits of our society on those who suffer from mental retardation.

Mr. Speaker, though the Congress and the executive branch have done much, in the past decade and a half, to help the mentally retarded, they have remained victims of the ancient but persistent belief that mental retardation is a hopeless, incurable affliction.

As a result of the persistence of this belief and the negative attitudes that accompanied it, this Nation has never launched a full-scale attack on the problems of mental retardation.

Consequently, mental retardation continues as a major national health, social, and economic problem. Over 5 million persons are thus afflicted—twice as many as blindness, polio, cerebral palsy, and rheumatic heart disease combined.

Because, under our present system of care, many of our mentally retarded are not properly trained and educated to achieve their maximum productivity, the losses to our economy are great. In addition, States and localities spend over \$500 million for care and services for the mentally retarded—for the 200,000 who are cared for in residential institutions, most at public expense, and for others of the 400,000 of the mentally retarded who require constant care or supervision.

Yet it may be said that for the 5 million Americans who suffer from some degree of mental retardation, our present system of care could better be called our system of "don't care."

In our public institutions for the mentally retarded, conditions are no better—they are sometimes worse—than they are in our State mental hospitals. But it is among the millions of retarded who remain in our communities that our "don't care" system has been most vicious.

Time and time again our dedicated scientists and professional workers have found these relationships functioning in our society: Where people are impoverished, there is poor health; where there is poor health, mental illness and mental retardation are prevalent. Where families are weak, community ties tenuous, educational and employment opportunities lacking, there you will find the mentally retarded clustered. Among expectant mothers who do not receive prenatal care—a disproportionate number of whom reside in city tenements and rural slums—premature births occur two or three times as frequently as they do among women who receive adequate prenatal care; further, among premature infants, the incidence of birth defects and mental retardation is high.

In city tenements and rural slums, the intellectual blight that characterizes these neighborhoods is associated with the higher incidence of mental retardation found among schoolchildren coming from these neighborhoods.

Yet in our communities, rich or poor, urban or rural, we have done little to help the mentally retarded. Less than 30,000 mentally retarded individuals were served by our psychiatric outpatient clinics in 1959, and only 20,000 received clinical services in programs supported by the Children's Bureau in 1961.

Out of five mentally retarded school-age children, one is enrolled in special education programs in public schools. We need 75,000 specially prepared teachers to instruct the mentally retarded—we have less than one-third that number now.

These findings—and many others reported by the President's Panel on Mental Retardation—are the facts that undergird current proposals in this field. They indicate that if we are to prevent the occurrence of preventable mental retardation, we must allocate more resources for health, for education, and training.

Furthermore, if we are to bestow the benefits of our society upon those who are already retarded, they must receive special services, in the community, that will actively foster the development of each individual's maximum capacity, and his maintenance in the community at the highest level of social responsibility of which he is capable.

If, as is apparent, providing adequate medical care to expectant mothers and their infants prevents mental retardation, then adequate medical care must be made available to each mother, and to each child.

If the mentally retarded need special educational opportunities, then we must make special efforts to insure that there are enough classroom teachers to instruct each mentally retarded child. For the retarded child does not differ from the normal child in his need to be properly educated for adult responsibilities.

If, as we know, many of the retarded will require special services over a long period of time, and that some of the more severely retarded will require a sheltering environment for an indefinite period of time, then provisions for these must be made in the community.

Mr. Speaker, time does not stand still for the mentally retarded while those who control his destiny quibble about what proportion of his total needs they are going to provide: whether he will get 10 percent of the services he needs, or 25 percent, or 50 percent. The passage of time will make only more desperate the needs of the retarded that are not being met today. For it is now that the infant's mother needs care. It is now that the toddler needs a careful diagnostic workup. It is now that the child needs special education. And it is now that millions of the retarded need special facilities in their communities, near their own homes.

For a long time, I have known that the needs of the mentally retarded were

great and complex. I have consistently brought these needs to the attention of this House. As chairman of the subcommittee of the Committee on Appropriations that annually considers the administration's Budget for the Department of Health, Education, and Welfare, I have, year after year, urged that adequate funds be appropriated to mount truly effective programs in this field.

The Appropriations Committee was pleased that the President gave this problem the recognition he did when he appointed the President's Panel on Mental Retardation. While that Panel made an excellent report, there are certain aspects of the problem that could have been given attention if the Panel had had a little more time. The following are a few exciting possibilities for new programs that appear to have been overlooked.

#### PERINATAL RESEARCH

The report of the Panel makes references to some of the early findings of the collaborative perinatal project of this Institute. It points out to some of its results as "illustrative of research findings which have led to prevention of a significant number of cases of mental retardation." However, the Panel makes no recommendation for continuation or extension of this important undertaking—an undertaking which has mobilized vast resources in 15 university centers, and has created a national resource with continuing capability for an organized and concerted drive against the causes of retardation, cerebral palsy, and other neurological and sensory disorders. The potential of this resource is largely unexplored, but numerous requests from many agencies indicate that this unique program is in a position to make broad contributions to many facets of the problem of mental retardation.

At the present time, a wealth of research information is already assembled in the collaborative project. The Institute is now exploring with other agencies the most profitable directions for the further extension of this program and should be in a position to present such a broad plan for fiscal year 1965.

#### ROLE OF VIRUSES IN PREGNANCY

The Panel points out that a "number of viruses and other infectious agents have already been identified or are strongly suspected of producing damage to the fetal brain when the mother is infected during pregnancy." No specific recommendation for an attack on this problem is made, however.

Within the institute's collaborative perinatal project, every woman is receiving serological examinations for the detection of viral infection. Preliminary studies show that about 7 percent of these women experience infection by a known virus during pregnancy. Within this program, the virus of German measles—an agent known to produce mental retardation—has been isolated. The human disease has been produced experimentally for the first time. The effectiveness of a vaccine has been demonstrated, and its usefulness in preventing fetal injury is under investigation in monkeys.



These studies should be extended to other viruses. The place to search for such viruses is in abortions or premature births because those agents which in mild instance cause mental retardation, lead to death and miscarriage of the fetus in severe cases.

The methods for culturing such viruses have now become routine, but they are laborious and time consuming. Such work does not provide challenge for the university-based scientist whose interest lies in the search for new approaches. It would be possible, however, through industrial contracts, to establish a large screening program to search for viruses among a number of specimens. Within such a program it is almost certain that additional viruses responsible for fetal injury would be found.

A NATIONAL NEUROSENSORY INSTRUMENTATION CENTER

Because of the complexity of the nervous system, the development of precise instruments is an essential aid to investigation. For example, a statement frequently quoted is that "in 75 percent of instances of mental retardation no structural abnormality of the brain has been demonstrated." A thorough review of the literature suggests one probable explanation for this impression: brains of retarded individuals after death have not been studied with the precise methods required to demonstrate detailed and deep-lying deformities.

The studies of Dr. Windle and his associates in Puerto Rico indicate that asphyxiated newborn monkeys undergo extensive cell loss in the brain. Such loss, however, is demonstrable in later life only as a reduction in the number of cellular elements present. One cannot see what is absent, and without the use of precise cell-counting techniques, up to 25 percent of the neural elements of a nucleus of the brain may be lost without this being evident to the neuropathologist.

Studies in the Institute's Laboratory of Perinatal Physiology also indicate that the effects of such deleterious agents as asphyxia and kernicterus are highly selective, leading to serious impairment of some parts of the brain while sparing others. Exact quantitation of cell loss in various nuclei of the brain is thus essential if we are to understand the structural basis of the varied forms of intellectual impairment in mental retardation. However, the brain comprises several billions of nerve cells. It has been the lifework of a few dedicated scientists to attempt such quantitative studies of even one or two specimens. However, technology has now reached the stage where much of this arduous task could be accomplished automatically by the use of instruments. The development of an automatic cell-counting microscope is now well within the realm of attainment. The specific technological problems which must be overcome in the production of such an instrument have been defined.

A central planning group, empowered to use grants or contracts to recruit the technical and industrial resources required, is needed to make this possibility

a reality. The availability of a cell-counting instrument to scan the brains of mentally retarded individuals dying of intercurrent diseases, and of animals with comparable experimentally induced neurosensory defects, would constitute a major contribution in our efforts to define with accuracy the organic abnormalities responsible for mental retardation.

Particular concern has been expressed regarding the complex problem presented by the blind and the deaf retarded. Especially where multiple handicaps are present, the mobilization of the individual's intellectual resources may be completely blocked by failure of communication. Fundamental investigations, well underway, are exploring the use of patterned sensory stimuli, applied to the skin by electronic devices, as a means of establishing a meaningful communication. In a similar way, Helen Keller learned the meaning of sound through feeling with her fingertips the vibrations of the larynx of her teacher. The time is ripe for an all-out investigation of the various alternative sensory pathways through which visual and auditory information may be made available and meaningful to those whose normal channels are destroyed.

An even greater challenge exists in explorations directed toward the substitution of electronic devices for the eye and the ear—devices which might be keyed into the human nervous system directly in such a fashion as to provide substitute stimuli within the visual and auditory systems. The problems to be overcome are awesome but not insurmountable.

In vision, for example, one first must have precise knowledge of the coding process of the eye whereby the light impulse falling on the retina—composed of some 100 million computer cells—is converted into patterns of nerve impulses. When this knowledge is available, it will be necessary to develop computers and other instruments capable of interpreting the impulses. Finally, means must be found to key the coded messages into the nervous system in a way which will not destroy the delicate nerve fibers to be stimulated.

A committee of competent scientists is actively engaged in the consideration of this entire problem of substitutions for vision. The financial and logistical resources required to transform into reality the ideas of this committee, and of other related groups, should be established within a national neurosensory service center.

A COOPERATIVE HEAD INJURY STUDY

The most common single cause of hospitalization of children is accident and injury. Of a group of injured hospitalized children, 30 percent were found to be suffering from injuries of the head and brain. Head injury is not ordinarily thought of as a cause of mental retardation. However, in approximately 10 percent of institutionalized retarded, a postnatal condition is held responsible for the retardation. Among these, a significant number result from head injury. Automobile accidents account for a large portion of such accidents, but

sports, various play activities, and home accidents are also causes, as pointed out by the President's Panel, the obvious solution is prevention. However, as is the case with asphyxia, many of the serious permanent residuals of head injury appear to develop after the event during a postconcussion reactive phase. Therefore, effective management of this delayed reaction could materially reduce the severity of the permanent neurological damage in many instances of head injury.

A cooperative head injury program should investigate many problems: the logistical problems of providing prompt, definitive surgical management of accident victims from cities and highways; the fundamental characteristics of the reaction of the brain to injury; the classification and evaluation of the injured; and the evaluation of the therapeutic measures now being carried out on a largely empirical basis.

CENTERS TO STUDY DISEASES OF THE NERVOUS SYSTEM IN INFANCY AND CHILDHOOD

The problem of mental retardation is one of broad scope to which a diversity of skills and talents must be addressed. The Chairman of the President's Panel has made it clear that it has been the intent of that Panel to mobilize, for the attack on this problem, individuals having the widest possible variety of skills. Important among these is the scientist whose life is devoted to the study of the brain. The mobilization of the field of neurology to attack this vast problem requires a clear definition of the role and responsibility of clinical neurologists, neuropathologists, neurophysiologists, neurochemists, and neuroanatomists. The importance of this aspect of the problem of retardation requires that it receive specific focus. The development of centers specifically to study diseases of the nervous system in infancy and childhood, is essential if such people are to be drawn into active participation in research in this field.

It is believed that the above-mentioned special activities are in line with the thinking and objectives of the President's Panel and could appropriately have been included within their report.

This year we face an unprecedented opportunity. First, as a result of the work of the President's Panel on Mental Retardation, the facts regarding mental retardation have been clarified as never before. Second, the President of the United States, in a historic message to Congress, has used the weight of his great office to lead the Nation into better ways of dealing with the medical, social, and economic burdens caused by mental retardation. Third, the people have indicated by their response to the President's message, that it is their will, as well as their desire, that the mentally retarded be given appropriate care, treatment, and education in their home communities.

I therefore urge that this great legislative body act on the opportunities currently available to us, and enact an effective mental retardation program.

I am submitting for the RECORD a summary of the three bills I now introduce:



**SUMMARY OF MATERNAL AND CHILD HEALTH AND MENTAL RETARDATION PLANNING AMENDMENTS OF 1963**

Increase in maternal and child health and crippled children's services: Sections 2 and 3 of this bill would increase the authorizations for existing programs for maternal and child health and crippled children's services under title V of the Social Security Act from the present \$25 million each, by steps of \$5 million, to \$50 million each by the fiscal year 1970. For each program the present matching requirements and basis for apportioning funds would be continued.

Special project grants for maternity and infant care: Section 4 of the bill would establish as a part of title V of the Social Security Act, a 5-year program of project grants to assist in meeting the costs of maternity and infant care for high risk groups. The appropriations authorized would be \$5 million for fiscal year 1964, \$15 million for fiscal year 1965 and \$30 million for the next 3 fiscal years. Grants would be available to State health agencies or, with their consent, to local health agencies, to pay up to 75 percent of the cost of projects for the provision of all necessary health care to prospective mothers (including, after childbirth, health care to mothers and their infants) who have or are likely to have conditions associated with childbearing which increase the hazards to the health of the mothers or their infants (including those which may cause physical or mental defects in the infants) and who are from low-income families or are otherwise unlikely to receive all necessary health care.

Research projects relating to maternal and child health and crippled children's services: Section 4 would also authorize under a new part 4 of title V of the Social Security Act, appropriations for grants or jointly financed cooperative arrangements or contracts for research projects relating to services for maternal and child health and crippled children which show promise of making a substantial contribution to the advancement of knowledge relating to maternal and child health and crippled children's services. With respect to this provision, the Congress would be authorized to appropriate such sums as it may determine to be necessary beginning with the fiscal year 1964.

Grants for planning comprehensive action to combat mental retardation: Section 5 of the bill would add a new title, title XVII, to the Social Security Act to authorize the appropriation of \$2.2 million for project grants to be used by the States to: (1) determine the action necessary to combat mental retardation and the resources available for this purpose; (2) develop public awareness of the problem of mental retardation; (3) coordinate State and local activities relative to the various aspects of mental retardation; and (4) to plan other activities leading to comprehensive State and community action to combat mental retardation.

**SUMMARY OF MENTAL RETARDATION CONSTRUCTION FACILITIES ACT OF 1963**

Grants for construction of centers for research on mental retardation and related aspects of human development: Title I of this bill authorizes a 5-year program of Federal grants to assist in the construction of centers for research on mental retardation and related aspects of human development; this program would be contained in a new part B to be added to the health research facilities title (title VII) of the Public Health Services Act. The total appropriation for the period July 1, 1963, to June 30, 1968, is \$30 million.

In acting on applications for grants, the Surgeon General would be required to take into consideration relative effectiveness of the proposed facility in expanding the Na-

tion's capacity for research and related purposes in the field of mental retardation and related aspects of human development.

The Federal share of the project could be up to 75 percent of necessary costs of construction.

Grants for construction of facilities for the mentally retarded: Title II of the bill authorizes the Secretary of Health, Education, and Welfare to make grants to States for the construction of facilities especially designed for the diagnosis, treatment, education, training, or custodial care of the mentally retarded, including facilities for training specialists, and including sheltered workshops for the mentally retarded, if such workshops are part of facilities which provide comprehensive services for the mentally retarded.

Appropriations of such sums as Congress may determine would be authorized during the period July 1, 1964, through June 30, 1969. The funds appropriated would be allotted among the States on the basis of population, extent of need for facilities for the mentally retarded, and the financial need of the States, with a minimum of \$100,000 for any State. States would be given the alternative of varying the Federal share of the cost of construction of projects, on the basis of standards set by the State, between 45 percent and 75 percent or of choosing a uniform Federal share—which would not be less than 45 percent and could go as high as 75 percent for some States—for all projects in the State.

Applications would be submitted to the Secretary after approval by the State agency designated by the State to administer the State plan.

A State advisory council, composed of representatives of State agencies concerned with planning, operation, or utilization of facilities for the mentally retarded and of non-Government organizations or groups concerned with education, employment, rehabilitation, welfare, and health, as well as representatives of consumers of the services involved, would consult with the State agency in carrying out the State plan. The plan would have to set forth a construction program based on a survey of need for facilities and provide for construction in accordance with relative need for facilities insofar as permitted by available financial resources. The plan would also have to meet several other requirements set forth in the bill, including provision for methods of administration necessary for proper and efficient operation of the plan, hearings for unsuccessful applicants, and standards of maintenance and operation of facilities constructed.

Priority of projects to be approved under the State plan would be based on relative need of the different areas in the State, with special consideration for those facilities which will provide comprehensive services for a particular community or communities.

Project grants for the construction of university-affiliated facilities for the mentally retarded: Title III of the bill authorizes appropriation of such sums as Congress may determine for a 5-year period beginning July 1, 1964, for the purpose of assisting in the construction of clinical facilities providing, as nearly as practicable, a full range of inpatient and outpatient services for the mentally retarded and facilities which will aid in demonstrating provision of specialized services for the diagnosis and treatment, education, training, or care of the mentally retarded or in the clinical training of physicians and other specialized personnel needed for research, diagnosis and treatment, education, training, or care of the mentally retarded.

The sums so appropriated would be used for project grants for construction of public and other nonprofit facilities for the men-

tally retarded which are associated with a college or university.

In the development of this aspect of the program for the mentally retarded, special provision will be made for the construction of the service facilities described in this title in association with the grant program covered in title I, which provides for the construction of research centers. The association of research centers with the full range of inpatient and outpatient services would provide for the maximum exchange amongst the research, training, and service functions of these centers. In this manner the very best standards of care can be achieved. Research will proceed in the context of the teaching and care problems and the quality of training will be of the highest.

The maximum Federal share of the cost of construction of these facilities would be 75 percent.

**SUMMARY OF MENTAL RETARDATION EDUCATION RESEARCH ACT OF 1963**

The bill would amend the act of September 6, 1958 (Public Law 85-926), which authorizes grants to institutions of higher learning for training personnel who can, in turn, train teachers of mentally retarded children, and grants to State educational agencies to assist them in providing training of teachers of mentally retarded children and supervisors of such teachers.

The grants to the institutions would be expanded to include grants for training teachers of mentally retarded children and supervisors of such teachers, and for training other specialists and research personnel for work in this area.

The present limitation of \$1 million per year for payments under the law would be replaced by an authorization of appropriations of \$5 million for fiscal 1964 and such sums as Congress may determine for the next 4 fiscal years.

This bill also authorizes \$1 million annually for fiscal 1964 and the next 4 years for grants to States, State or local educational agencies, institutions of higher learning, and other public or nonprofit private educational or research organizations for research and demonstration projects relating to education of mentally retarded children. Grants under this authority would be made after securing the advice of panels of experts.

**AMENDMENT TO SECTION 366 OF THE IRC**

Mr. KEOGH. Mr. Speaker, in the decisions of the U.S. Supreme Court in *Groman v. Commissioner* (302 U.S. 82 (1937)) and *Helvering v. Bashford* (302 U.S. 454 (1937)), and in a number of subsequent decisions in lower courts, it was held that the reorganization provisions of the Revenue Act of 1928 and their successor provisions in subsequent revenue acts did not apply where a corporation acquired the assets or stock of another corporation, and, pursuant to the plan, transferred such assets or stock to a wholly owned subsidiary. Also, the reorganization provisions were held inapplicable where the stock or assets were acquired directly by a subsidiary, and stock of its parent corporation was issued in exchange therefor.

In enacting the 1954 code, the Congress sought to overturn the results of those decisions. However, this was actually accomplished only with respect to statutory mergers and consolidations under section 368(a)(1)(A) and stock



for asset acquisitions under section 368 (a) (1) (C). The Congress failed to give consideration to the need for also extending the rule to cover stock-for-stock acquisitions under section 368(a) (1) (B), which were also affected by the Groman and Bashford cases. The proposed amendment to code section 368 would correct this oversight. This would be accomplished by amending the definition of a so-called "B" reorganization to permit the use of a parent corporation's stock in making the acquisition of the stock of the other corporation; by amending section 368(a) (2) (C) to permit the parent corporation to transfer acquired stock to its subsidiary without destroying the reorganization; and by amending the definition of a party to a reorganization to make clear that the shareholders and corporations making the exchange will qualify for tax-free treatment under sections 354(a) and 361(a), respectively. The substance of these proposed amendments was included among the recommendations of the subchapter C advisory group submitted to the Ways and Means Committee in December 1958.

As contemplated, the proposed amendment also would permit the corporation acquiring the assets of another corporation in exchange for the stock of a corporation in control of the acquiring corporation to transfer such acquired assets to a corporation controlled by such acquiring corporation without disqualifying the transaction as a reorganization under section 368(a) (1) (C). This result, however, would be obtained only where both the acquiring corporation and its controlled subsidiary, to which are transferred the acquired assets, are members of the affiliated group and file a consolidated tax return for the taxable year in which the acquisition occurs. Thus, where corporation B acquired the assets of corporation X in exchange for the stock of corporation A, which is in control of corporation B, corporation B could transfer the acquired assets to its controlled subsidiary, corporation C, without disqualifying the transaction as a reorganization under paragraph (1) (C), provided corporations B and C are members of the same affiliated group and file a consolidated return for the taxable year in which the acquisition and transfer occur.

The amendment would be made effective for taxable years beginning after December 31, 1963, in order to avoid problems of administration that might otherwise be incurred.

The proposed amendment to code section 368 would ease the unduly restrictive distinctions under existing law which defeat acquisitions of the type described above. Such acquisitions encourage business diversification and expansion, stimulating greater economic activity which is presently needed and being sought by the President. The proposed amendments should not cause any loss of Government revenues and most likely would result in increased revenues since economic activity would be stimulated, resulting in greater profits and the payment of more income tax.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks, was granted to:

Mr. VINSON and to include an article from the Army-Navy Journal in reference to the Distinguished Service Award given to the chief counsel of the Committee on Armed Services, Robert Smart.

Mr. RYAN of New York and to include extraneous matter.

Mrs. SULLIVAN and to include extraneous matter.

Mr. RIVERS of Alaska and to include extraneous matter.

Mr. ULLMAN and to include extraneous matter.

Mr. HUDDLESTON and to include extraneous matter.

Mr. KEOGH to extend his remarks in the body of the Record at the conclusion of today's business.

Mr. REID of New York and to include some brief extraneous matter.

Mr. CURTIS and to include extraneous matter.

Mr. SIBAL and to include extraneous matter.

Mr. CLAUSEN.

Mr. FARBSTEIN and to include extraneous matter.

Mr. DORN.

Mr. EDWARDS and to include extraneous matter.

Mr. ROYBAL.

Mr. ZABLOCKI and to include extraneous matter.

Mr. QUILLEN and to include extraneous matter.

Mr. MOORHEAD.

Mr. FLOOD and to include a statement on Panama.

Mr. BURKE.

Mr. O'NEILL.

Mr. ROGERS of Florida and to include extraneous matter.

Mr. YOUNGER and to include extraneous matter.

Mr. TOLLEFSON and to include extraneous matter.

Mr. LLOYD.

Mr. UTT and to include extraneous matter.

Mr. BROTZMAN and to include extraneous matter.

Mrs. FRANCES P. BOLTON and to include extraneous matter.

Mr. SNYDER and to include extraneous matter.

Mr. CLAUSEN and to include extraneous matter in one other instance in addition to his previous request.

Mr. MCCORMACK (at the request of Mr. MADDEN) on the subject "Inquest of Freedom: The Enslaved Peoples of the Baltic States."

Mr. MILLS and to include extraneous material in the remarks he made on H.R. 6755 today.

Mr. LAIRD and to include extraneous matter.

Mr. BECKER and to include extraneous matter.

Mr. MICHEL and to include an editorial.

Mr. PELLY and to include extraneous matter.

Mrs. ST. GEORGE and to include extraneous matter.

Mr. LIPSCOMB and to include extraneous matter.

Mr. GIAMO (at the request of Mr. ALBERT) to extend his remarks during the debate on H.R. 6755 and include extraneous matter.

Mr. McDOWELL and to include extraneous matter, notwithstanding the fact that it will exceed two pages of the Record and is estimated by the Public Printer to cost \$270.

Mr. MURPHY of Illinois.

Mr. RODINO and to include a speech.

Mr. RHODES of Pennsylvania and to include a speech.

#### ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1286. An act for the relief of Lt. Claude V. Wells;

H.R. 1561. An act for the relief of Mel-born Keat;

H.R. 2439. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use in the 1964 National Jamboree, and for other purposes;

H.R. 3626. An act for the relief of Ronnie E. Hunter; and

H.R. 4349. An act for the relief of Robert O. Belson and Harold E. Johnson.

#### ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until Monday, June 17, 1963, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

930. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 15, 1963, submitting a report, together with accompanying papers and an illustration, on a letter report on Sturgeon Creek, Middlesex County, Va., authorized by the River and Harbor Act, approved July 14, 1960; to the Committee on Public Works.

931. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated May 1, 1963, submitting a report, together with accompanying papers and an illustration, on a letter report on Back Bay of Biloxi and Bayou Bernard, Miss., requested by a resolution of the Committee on Public Works, House of Representatives, adopted April 21, 1953; to the Committee on Public Works.

932. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to amend section 131 of title 23, United States Code, relating to the control of outdoor advertising along the National System of Interstate and Defense Highways"; to the Committee on Public Works.