

Senate

THURSDAY, MAY 24, 1962

The Senate met at 10 o'clock a.m., and was called to order by Hon. J. J. Hickey, a Senator from the State of Wyoming.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, who hast been the hope and strength of all generations, and who hast breathed into Thy earth-children, made in Thy image, the passion to seek Thee and, in seeking, to surely find Thee: To Thy servants here dedicated to the welfare of the state, grant, we beseech Thee, a clearer vision of the unlimited resources which await those who walk in the way of Thy will.

As we stand on these ramparts of freedom, with all mankind—the free and the enslaved—looking and listening to that which is said or done here, let all bitterness and wrath and intemperate speaking be put away, with all malice; and may we be kind to one another, tenderhearted and forgiving, even as Thou, our Father, forgivest our trespasses against Thy love and against the welfare of Thy other children.

We pray in the dear Redeemer's name.
Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 24, 1962.
To the Senate:

Being temporarily absent from the Senate, I appoint Hon. J. J. Hickey, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. HICKEY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 23, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,
The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States

submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 107) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 1348) for the relief of William Burnice Joyner.

The message further announced that the House had passed a bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, was read twice by its title and referred to the Committee on Aeronautical and Space Sciences.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. HUMPHREY, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. HUMPHREY, and by unanimous consent, the Public Lands Subcommittee of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LEAVE OF ABSENCE

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin [Mr. WILEY] be permitted to absent himself from the Senate today and tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CORRECTION OF THE RECORD

Mr. CASE of South Dakota. Mr. President, I ask that the permanent RECORD be corrected with respect to my remarks which appear in the daily RECORD for Monday, May 14, on page 7684, as follows:

In the first column, lines 38 and 39, strike out "represent the acceptance of" and insert in place of them the word "end".

The ACTING PRESIDENT pro tempore. The correction will be made.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF SECTION 3552 OF THE REVISED STATUTES, RELATING TO PROCEEDS FROM DISTRIBUTION OF CERTAIN COINS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 3552 of the Revised Statutes, as amended, to provide that the proceeds from the distribution and sale of uncirculated coins shall be reimbursed to the appropriation from which the expenses of manufacture and distribution were paid (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON PRIME CONTRACT AWARDS TO SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on Department of Defense prime contract awards to small and other business firms, for the period July 1961–March 1962 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON REVIEW OF DEVELOPMENT AND PROCUREMENT OF SIMILAR-TYPE HELICOPTERS WITHIN DEPARTMENT OF DEFENSE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the development and procurement of similar-type helicopters within the Department of Defense, dated May 1962 (with an accompanying report); to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. SMITH of Maine, from the Committee on Armed Services, without amendment:

H.R. 8570. An act to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force (Rept. No. 1527).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 2107. A bill to amend title 14, United States Code, entitled "Coast Guard," to extend the application of certain laws relating to the military services to the Coast Guard for purposes of uniformity (Rept. No. 1528); and

H.R. 4783. An act to grant constructive service to members of the Coast Guard Women's Reserve for the period from July 25, 1947, to November 1, 1949 (Rept. No. 1529).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 3016. A bill to amend the act of March 2, 1929, and the act of August 27, 1935, relating to loadlines for oceangoing and coastwise vessels, to establish liability for surveys, to increase penalties, to permit deeper loading in coastwise trade, and for other purposes (Rept. No. 1530).

By Mr. ENGLE, from the Committee on Commerce, with amendments:

S. 1184. A bill to conform the provisions of section 802 of the Merchant Marine Act, 1936, with those of section 510 thereof as amended by Public Law 86-575, approved July 5, 1960, and for other purposes (Rept. No. 1531).

AMENDMENT OF COMMUNICATIONS ACT OF 1934—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1526)

Mr. PASTORE. Mr. President, from the Committee on Commerce, I report favorably, with an amendment, the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus, and I submit a report thereon.

I ask unanimous consent that the report may be printed, together with minority views of the Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. COTTON].

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed as requested by the Senator from Rhode Island.

ADDITIONAL FUNDS FOR COMMITTEE ON ARMED SERVICES—REPORT OF A COMMITTEE

Mr. SYMINGTON, from the Committee on Armed Services, reported an original resolution (S. Res. 345); which was referred to the Committee on Rules and Administration, as follows:

Resolved, That S. Res. 295, agreed to February 22, 1962, authorizing a study by the Committee on Armed Services on strategic and critical stockpiling, is amended on page 2, line 14, by striking "\$30,000," and inserting in lieu thereof "\$80,000."

REPORT ENTITLED "SMALL BUSINESS LEASE GUARANTEES"—REPORT OF A COMMITTEE—INTRODUCTION OF BILL (S. REPT. NO. 1532)

Mr. SPARKMAN. Mr. President, I am pleased to file a report of the Senate Small Business Committee entitled

"Small Business Lease Guarantees." Concurrently, I introduce, for appropriate reference, a bill intended to carry out the principal recommendation of this report. Joining me in the report and as cosponsor of the bill are Senators HUMPHREY, WILLIAMS of New Jersey, LONG of Louisiana, MORSE, BIBLE, RANDOLPH, ENGLE, BARTLETT, and MOSS.

I ask unanimous consent that it lie on the table for 10 days.

I am also pleased to announce that counterpart bills are being introduced in the other body today by the gentleman from Texas [Mr. PATMAN] the distinguished chairman of the House Small Business Committee; and by the gentleman from California [Mr. ROOSEVELT], the able and vigorous chairman of that committee's Subcommittee No. 5, which works in the field of distribution problems affecting small business.

For some time, Mr. President, the Senate Small Business Committee has been concerned with the difficulties encountered by many seasoned small businesses in obtaining leases of choice commercial and industrial locations. In 1959, under the leadership of Senators HUMPHREY and WILLIAMS of New Jersey, our subcommittee on retailing and distribution practices conducted public hearings on the situation in suburban shopping centers.

Those hearings revealed that, not only in shopping centers but in other properties, downtown, and suburban, the small businessman was often being prevented from negotiating leases that not only he but his prospective landlord felt to be in their mutual best interest. This situation prevailed and still prevails because of the requirement of mortgage lenders that developers seeking loans must have leases with a sufficient number of tenants having triple-A-1 credit rating to cover all mortgage payments.

Last December, at hearings of the full committee, we explored the question whether it would be feasible and desirable to remedy this situation through a program in which the Federal Government, through the Small Business Administration, would participate with the private surety industry in issuing guarantees of rental payments under the leases of qualified and experienced small businessmen. Such a guarantee would make the lease of a small businessman as safe an investment for a developer and his mortgage lender as the lease of a triple-A-1 credit-rated big business.

The conclusion of the entire committee, Mr. President, is that the existence of a severe small business problem has been demonstrated. The conclusion and recommendation of the majority of the committee is that a Federal program for participating and, if necessary, direct lease guarantees by the Small Business Administration is feasible and desirable. A minority of the committee—Senators SALTONSTALL, JAVITS, COOPER, SCOTT, PROUTY, and COTTON—feels that it is within the capability of the private surety industry to deal with this problem and that, accordingly, no new Federal program should be created until that industry has had more time to attempt a solution entirely within the framework of private enterprise.

The majority's recommendation, and the bill we are introducing today, would authorize the Small Business Administration to issue lease guarantees in participation with private surety companies only if no entirely private guarantees were available. Direct, entirely Federal guarantees would be authorized to be issued, only if no participation guarantees were available. The program, in this respect, would follow the pattern of the well-established SBA loan program.

I ask unanimous consent that there be printed in the RECORD, at the conclusion of my remarks, the text of the bill and a summary, taken from the committee's report, of seven criteria met by the recommended legislation.

The ACTING PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Alabama; and the bill will be received and appropriately referred, and without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from Alabama.

The bill (S. 3345) to strengthen the competitive enterprise system by assisting qualified small-business concerns to obtain leases of commercial and industrial property, where stringent credit requirements tend to exclude such concerns, by authorizing the Small Business Administration to guarantee, directly or in cooperation with others, the payment of rentals under such leases, introduced by Mr. SPARKMAN (for himself, and Senators HUMPHREY, WILLIAMS of New Jersey, LONG of Louisiana, MORSE, BIBLE, RANDOLPH, ENGLE, BARTLETT, and MOSS), was received and read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Business Investment Act of 1958 is amended by adding after title III of a new title as follows:

"TITLE IV—LEASE GUARANTEES

"Policy and purpose

"Sec. 401. The Congress finds that small business concerns, even though well-established, sound, and successful, often cannot obtain leases of commercial and industrial property because of the requirements (particularly the minimum net worth requirement) imposed with respect to prospective lessees by the interested lending institutions. Such concerns are therefore placed at a competitive disadvantage, impairing their growth and development, thus weakening the competitive free enterprise system and preventing the orderly development of the national economy. It is the purpose of this title to assist qualified small business concerns to obtain leases of commercial and industrial property, where unduly stringent credit requirements for prospective lessees exist, by authorizing the Small Business Administration to guarantee, directly or in participation with others, the payment of rentals under such leases.

"Authority of the Administration

"Sec. 402. (a) The Administration may, whenever it determines such action to be necessary or desirable in furtherance of the purposes of this title, and upon such terms and conditions as it may prescribe, guarantee the payment of rentals under leases of commercial and industrial property entered into by qualified small business concerns, to enable such concerns to obtain such leases,