

- S. Res. 354—Authorizing the printing for the use of the Special Committee on Aging of additional copies of its committee print entitled "Performance of the States" (under Kerr-Mills bill).
Mr. McNamara; Committee on Rules and Administration, 11572.
- S. Res. 355—Extend greetings and best wishes of the Senate to the wife of the President of Colombia, the Honorable Guillermo Valencia, for her early recovery from illness.
Mr. Gore; considered and agreed to, 11653.
- S. Res. 356—To provide for freedom of prayer.
Mr. Hartke; Committee on the Judiciary, 11799, 12217.
- S. Res. 357—Increasing the limit of expenditures by the Committee on Government Operations under Senate Resolution 250, 87th Congress.
Mr. McClellan; Committee on Rules and Administration, 12137.—Reported (S. Rept. 1705), 13220.—Passed Senate, 13383.
- S. Res. 358—To increase the amount of funds for the investigation of juvenile delinquency.
Mr. Eastland; Committee on Rules and Administration, 12137.—Reported (S. Rept. 1706), 13220.—Passed Senate, 13384.
- S. Res. 359—Authorizing the creation of a Subcommittee on Intergovernmental Relations.
Mr. Muskie; Committee on Rules and Administration, 12235.—Reported with amendment (S. Rept. 1716), 13220.—Amended and passed Senate, title amended, 13384.
- S. Res. 360—Authorizing additional funds for an investigation of migratory labor.
Mr. Williams of New Jersey, from Committee on Labor and Public Welfare (no written report), 12740.—Referred to Committee on Rules and Administration, 12740.—Reported (S. Rept. 1707), 13220.—Passed Senate, 13384.
- S. Res. 361—To authorize study of the equity involved in the 90-percent royalty on mineral production on federally owned lands.
Mr. Hickey and Mr. McGee; Committee on Interior and Insular Affairs, 12800.—Reported (S. Rept. 1739), 13601.—Referred to Committee on Rules and Administration, 13601.—Reported (S. Rept. 1783), 14619.—Passed Senate, 14702.
- S. Res. 362—To study the nondiplomatic activities of foreign governments.
Mr. Fulbright, from Committee on Foreign Relations, (S. Rept. 1697), 12870.—Referred to Committee on Rules and Administration, 12870.—Reported (S. Rept. 1708), 13220.—Passed Senate, 13385.
- S. Res. 363—To make certain minority appointments to standing committees.
Mr. Dirksen; considered and agreed to, 13909.
- S. Res. 364—Relative to the death of Senator Henry C. Dworshak, of Idaho.
Mr. Church; considered and agreed to, 14536.
- S. Res. 365—To pay certain funeral expenses of the late Senator Henry C. Dworshak, of Idaho.
Mr. Church; Committee on Rules and Administration, 14536.—Reported (no written report), 15898.—Passed Senate, 16110.
- S. Res. 366—Relative to memorial addresses on the life, character, and public service of the late Senator Francis Case, of South Dakota.
Mr. Mundt; considered and agreed to, 14628.
- S. Res. 367—Authorizing the printing as a Senate document of a study entitled "Trial Program of Public Land Range Appraisal."
- S. Res. 367—Continued
Mr. Metcalf; Committee on Rules and Administration, 14628.—Reported (S. Rept. 1862), 15898.—Passed Senate, 16110.
- S. Res. 368—Favoring steps by the Federal Government to effect the unification of Ireland.
Mr. Dodd; Committee on Foreign Relations, 15192.
- S. Res. 369—To print as a Senate document a "Report on the Implementation of the Humphrey Amendment."
Mr. Humphrey; considered and agreed to, 15192.
- S. Res. 370—To create a Special Committee on Residence Requirements for Voting.
Mr. McCarthy; Committee on Rules and Administration, 15524.
- S. Res. 371—To investigate the costs of conducting research by grants or otherwise that should be paid by the Federal Government.
Mr. Keating, Mr. Bennett, Mr. Case, Mr. Javits, Mr. Kuchel, Mr. McCarthy, and Mr. Saltonstall; Committee on Government Operations, 15646.
- S. Res. 372—Electing a member on the part of the Senate to the Joint Committee on the Library.
Mr. Jordan of North Carolina, from Committee on Rules and Administration (no written report), 15898.—Ordered placed on the calendar, 15898.—Passed Senate, 16110.
- S. Res. 373—Making changes in the minority membership of the standing committees of the Senate.
Mr. Dirksen; considered and agreed to, 15898.
- S. Res. 374—Concerning the discount rate in analyzing the benefit-cost ratio of water resource development projects.
Mr. Proxmire and Mr. Lausche; Committee on Interior and Insular Affairs, 16022.
- S. Res. 375—Establishing the Senate Select Committee on the Economic Impact of National Defense.
Mr. Hart, Mr. Case, Mr. Clark, Mr. Douglas, Mr. Gruening, Mr. Hartke, Mr. Humphrey, Mr. Javits, Mr. Lausche, Mr. McCarthy, Mr. Muskie, Mr. Pell, Mr. Proxmire, Mr. Randolph, and Mr. Williams of New Jersey; Committee on Armed Services, 16022.
- S. Res. 376—Favoring compulsory school attendance laws and adequate educational opportunities by States.
Mr. Proxmire; Committee on Labor and Public Welfare, 16301.
- S. Res. 377—Favoring inclusion on the agenda of the 17th session of the United Nations General Assembly of the question of Hungary.
Mr. Lausche, Mr. Young of Ohio, Mr. Hartke, Mr. Keating, Mr. Scott, and Mr. Hart; Committee on Foreign Relations, 16944.
- S. Res. 378—To amend rule XXXIV relative to the reporting of proceedings of the Senate by radio or television.
Mr. Javits and Mr. Morse; Committee on Rules and Administration, 17175.
- S. Res. 379—Accepting an invitation to attend the next general meeting of the Commonwealth Parliamentary Association to be held in Lagos, Nigeria.
Mr. Fulbright, from Committee on Foreign Relations (S. Rept. 1926), 17720.—Referred to Committee on Rules and Administration, 17720.—Reported (S. Rept. 2026), 19157.—Passed Senate, 19531.
- S. Res. 380—Establishing a select committee to be known as the Select Committee on Technological Developments.
Mr. Long of Louisiana; Committee on Labor and Public Welfare, 18704, 19160.
- S. Res. 381—To print as a Senate document the study entitled "Problems and Trends in Atlantic Partnership."
Mr. Fulbright, from Committee on Foreign Relations (no written report), 18814.—Referred to Committee on Rules and Administration, 18814.—Reported (S. Rept. 2027), 19157.—Passed Senate, 19531.
- S. Res. 382—To print additional copies of a committee print entitled "Housing for the Elderly."
Mr. McNamara; Committee on Rules and Administration, 18926.—Reported (S. Rept. 2032), 19320.—Passed Senate, 19532.
- S. Res. 383—Authorizing additional funds for the Committee on Appropriations.
Mr. Hayden; Committee on Rules and Administration, 19158.—Reported (no written report), 20283.—Passed Senate, 20283.
- S. Res. 384—To pay a gratuity to Carl E. Newman, Norma V. Newman Sewell, and Yvonne C. Newman Cole.
Mr. Jordan of North Carolina, from Committee on Rules and Administration (no written report), 19158.—Ordered placed on the calendar, 19158.—Passed Senate, 19531.
- S. Res. 385—To pay a gratuity to Naomi C. Mitchell.
Mr. Jordan of North Carolina, from Committee on Rules and Administration (no written report), 19158.—Ordered placed on the calendar, 19158.—Passed Senate, 19531.
- S. Res. 386—To pay a gratuity to Annie Lee Carrell.
Mr. Jordan of North Carolina, from Committee on Rules and Administration (no written report), 19158.—Ordered placed on the calendar, 19158.—Passed Senate, 19531.
- S. Res. 387—To pay a gratuity to Clara T. Douglas.
Mr. Jordan of North Carolina, from Committee on Rules and Administration (no written report), 19158.—Ordered placed on the calendar, 19158.—Passed Senate, 19531.
- S. Res. 388—Supporting the President in the Cuban situation.
Mr. Mansfield; Committees on Foreign Relations and Armed Services, 19321.
- S. Res. 389—Expressing the sense of the Senate regarding Cuba.
Mr. Javits; Committees on Foreign Relations and Armed Services, 19321.
- S. Res. 390—Expressing the sense of the Senate regarding Cuba.
Mr. Bush and Mr. Keating; Committees on Foreign Relations and Armed Services, 19321.
- S. Res. 391—Relative to the 200th anniversary of U.S. independence and a world's fair in Chicago.
Mr. Dirksen; Committee on the Judiciary, 19322.
- S. Res. 392—To express the sense of the Senate on an International Conference on the Conservation of Fishery Resources.
Mr. Magnuson, Mr. Saltonstall, Mr. Smith of Massachusetts, Mr. Bartlett, Mr. Gruening, Mrs. Neuberger, and Mr. Jackson; Committee on Commerce, 19528, 19844.—Reported (S. Rept. 2112), 19993.—Passed Senate, preamble agreed to, 19993.
- S. Res. 393—Favoring the creation of a Western Hemisphere military alliance.
Mr. Smathers; Committee on Foreign Relations, 19746.
- S. Res. 394—Concerning the recognition of a free Cuban Government-in-exile.
Mr. Smathers, Mr. Humphrey, and Mr. Beall; Committee on Foreign Relations, 19746.

mittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a full and complete study of all nondiplomatic activities of representatives of foreign governments and their contractors and agents in promoting the interests of those governments, and the extent to which such representatives attempt to influence the policies of the United States and affect the national interest.

SEC. 2. For the purposes of this resolution the committee is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, such technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed \$50,000 for the period ending January 31, 1963, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 4. The committee shall complete its study by June 30, 1963, but it shall submit to the Senate not later than January 31, 1963, such results of the study herein authorized together with such recommendations as may be found to be appropriate.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated May 29, 1962, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLAND:

S. 3518. A bill to authorize payments to local educational agencies for providing education to refugees from Cuba; to the Committee on Labor and Public Welfare.

By Mr. BIBLE (by request):

S. 3519. A bill to repeal section 557 and to amend section 559 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901; to the Committee on the District of Columbia.

By Mr. BYRD of Virginia (for himself and Mr. WILLIAMS of Delaware):

S. 3520. A bill to amend the Internal Revenue Code of 1954 to require information returns with respect to dividend, interest, and patronage dividend payments of \$10 or more; to the Committee on Finance.

By Mr. ELLENDER:

S. J. Res. 210. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963; to the Committee on Agriculture and Forestry.

RESOLUTION

STUDY OF NONDIPLOMATIC ACTIVITIES OF FOREIGN GOVERNMENTS

Mr. FULBRIGHT, from the Committee on Foreign Relations, reported an original resolution (S. Res. 362) to study the nondiplomatic activities of foreign governments, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. FULBRIGHT, which appears under the heading "Reports of Committees.")

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. SALTONSTALL. Mr. President, on behalf of Senator AIKEN, Senator SCOTT, Senator FONG, Senator BOGGS, Senator PROUTY, and myself, I submit amendments to House bill 10606, to extend and improve public assistance and child welfare services programs of the Social Security Act, and for other purposes, and ask that the amendments be printed and lie on the table.

The PRESIDENT pro tempore. The amendments will be received, printed, and will lie on the table.

Mr. BUSH submitted amendments, in the nature of a substitute, intended to be proposed by him to the amendments designated 6-29-62—A, proposed by Mr. ANDERSON (for himself and other Senators) to House bill 10606, supra, which were ordered to lie on the table and to be printed.

REVENUE ACT OF 1962— AMENDMENTS

Mr. KERR submitted amendments, intended to be proposed by him, to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

AMENDMENT OF SECTION 13 RELATING TO CONTROLLED FOREIGN CORPORATIONS, H.R. 10650, THE REVENUE ACT OF 1962

Mr. KERR. Mr. President, I have submitted today an amendment which is a complete substitute for section 13 of H.R. 10650 and which would strike section 6—amendment of section 482 relating to allocation of income between controlled entities—and section 7—relating to distributions of foreign personal holding company income—of H.R. 10650. The following is an explanation of this amendment and an account of the background that led to it.

I. SECTION 13—HOUSE BILL

The House bill contains provisions under which certain income of U.S.-controlled—more than 50 percent—foreign corporations would be taxed

as earned, whether or not distributed to U.S. shareholders having at least a 10-percent interest. However, once so taxed, such income could be distributed tax free to U.S. shareholders at any time, regardless of the presence of other earnings and profits.

In general these provisions, in effect, would leave tax deferral operative, first, as respects industrially advanced countries for manufacturing profits left in the same business or reinvested in less developed areas; second, as respects profits arising in less developed areas reinvested in any active business; and third, as respects tax haven profits reinvested in less developed countries. These provisions may be summarized as follows:

First. Income from insurance and reinsurance of U.S. risks. This provision reaches the Bermuda insurance companies. Taxed to United States whether or not reinvested.

Second. Income from the licensing of, or attributable to the use of, patents, copyrights, and exclusive processes and formulas created or developed in the United States and transferred to the foreign corporation. This provision reaches situations in which patents developed here are exploited abroad without effective U.S. taxation of the profits from the use of the patents. Taxed to United States whether or not reinvested.

Third. Certain base company tax haven income—tax haven holding company income, interest, dividends, rents, royalties, and so forth—and tax haven trading profits—profits derived by controlled foreign corporations from the purchase and sale of goods outside the country in which they are incorporated where such profits exceed 20 percent of their nonpassive income. In respect to tax haven trading profits, both the purchase and the sale must be outside the country of incorporation; products manufactured by the subsidiary are not purchased and therefore may be sold anywhere in the world by the controlled foreign corporation; and one party must be a related party—either the party from whom purchased or to whom goods are sold.

Immediate U.S. tax on such tax haven profits could be avoided only by reinvesting such income in active business in a less developed country.

Fourth. Income of foreign subsidiaries which are not tax haven companies, unless such income is reinvested in substantially the same trade or business or in any active business in a less developed country. For this purpose, a business must be seasoned—that is, carried on for 5 years, unless in existence on December 31, 1962. This would prevent foreign subsidiaries in Western Europe and other developed areas from using surplus funds for diversification in those countries or from keeping such funds abroad in passive investments or from investing such funds in the United States without payment of U.S. tax.

II. MAY 31 TAX HAVEN DRAFT

These provisions of the House bill were the subject of much criticism in the hearings held by the Committee on Finance from April 2, 1962, to May 11, 1962.

Labor of the Committee on Labor and Public Welfare, which memorandum (with accompanying revised budget) is as follows:

U.S. SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
SUBCOMMITTEE ON MIGRATORY LABOR,
July 9, 1962.

MEMORANDUM

To: The Honorable MIKE MANSFIELD, chairman, Committee on Rules and Administration.

From: Senator HARRISON A. WILLIAMS, Jr., chairman, Subcommittee on Migratory Labor.

Re Senate Resolution 360 (87th Cong., 2d sess.) amending Senate Resolution 273, authorizing a comprehensive study of migratory labor.

The Committee on Labor and Public Welfare has unanimously approved Senate Resolution 360, which amends Senate Resolution 273, 87th Congress, 2d session, so as to authorize an expenditure of \$70,000 for the conduct of the activities of its Subcommittee on Migratory Labor, in lieu of \$50,000 authorized in the original Senate Resolution 273. The effect of Senate Resolution 360 is to provide an additional \$20,000 which is necessary to carry out the work of the Subcommittee on Migratory Labor through the remainder of its period of authorized activities. The background on and need for Senate Resolution 360 now follow.

On February 7, 1962, the Senate approved Senate Resolution 273 authorizing an expenditure of funds not to exceed \$50,000 by the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, from February 1, 1962, through January 31, 1963, to examine, investigate, and make a complete study of any and all matters pertaining to migratory labor.

Pursuant to this resolution, the Subcommittee on Migratory Labor has undertaken an extensive study of the many critical problems that confront the farm employer and the migratory farmworker.

Expenditures of the subcommittee for the period beginning February 1, 1962, through June 30, 1962, amount to \$26,554.68. Based upon anticipated cost factors, future monthly expenditures are estimated at \$6,200, or a total of \$43,000 for the remainder of the subcommittee's authorized period of activity; thus there would be an estimated total expenditure of \$70,000 for the subcommittee's work during the entire period of its authorized activities, that is February 1, 1962, through January 31, 1963.

Inasmuch as \$50,000 has previously been provided for subcommittee expenditures, it is estimated that an additional \$20,000 is necessary for the subcommittee to carry out its duties and responsibilities as established by Senate Resolution 273.

The need for additional funds results primarily from the increasing complexity of the migratory labor problem itself, making necessary a commensurate expansion of subcommittee activities which were unforeseen during the preparation of the budget for Senate Resolution 273. Typical of the conditions which have required expanded subcommittee activities are the following:

1. It was earlier anticipated that a major portion of the pertinent information concerning migratory labor could be obtained without the necessity of making additional field trips to the site of farming operations, to labor camps and to related facilities providing health and safety protection, sanitation or transportation for migratory workers. This expectation was reasonable in view of the extensive field trip activities and research, undertaken by the subcommittee during 1960 and the information obtained therefrom. Despite such activities in 1960, however, the subcommittee's overall work-

load required additional legal research and field work. The subcommittee has accordingly made supplementary field trips and has undertaken expanded legal analysis of such matters as housing, transportation, sanitation, and other critical problems facing the farm employer and the migratory farmworker.

2. Of the several legislative measures under consideration by the subcommittee, S. 1129, because of its scope and complexity, has required more legal research and analysis than was originally anticipated. The import and long-range implications of this legislative measure for farm employers and migratory farmworkers alike required the subcommittee to make numerous firsthand observation trips and to engage in extensive consultations with farm employers concerned with the legislation.

3. Because of these and other work conditions, travel requirements have been somewhat greater than estimated. The demands of the work also made it essential to employ one additional professional and clerical assistant, whose services were not anticipated at the beginning of the session. In this regard it is noteworthy that the subcommittee's expanded activities, taking into account the addition of one professional and one clerical assistant, have resulted in an estimated expenditure for personnel as follows: Approximately \$15,000 for majority professional staff; approximately \$14,000 for minority staff; and approximately \$26,000 for supporting clerical and research assistants.

For the foregoing reasons the subcommittee most respectfully requests that the Committee on Rules and Administration approve Senate Resolution 360, and submits the attached revised budget relative thereto.

HARRISON A. WILLIAMS, Jr.

**NONDIPLOMATIC ACTIVITIES OF
FOREIGN GOVERNMENTS**

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1667, Senate Resolution 362.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 362) to study the nondiplomatic activities of foreign governments was considered, and agreed to, as follows:

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a full and complete study of all nondiplomatic activities of representatives of foreign governments, and their contractors and agents, in promoting the interests of those governments, and the extent to which such representatives attempt to influence the policies of the United States and affect the national interest.

Sec. 2. For the purposes of this resolution the committee is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, such technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administra-

tion, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

Sec. 3. The expenses of the committee under this resolution, which shall not exceed \$50,000 for the period ending January 31, 1963, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Sec. 4. The committee shall complete its study by June 30, 1963, but it shall submit to the Senate not later than January 31, 1963, such results of the study herein authorized together with such recommendations as may be found to be appropriate.

The excerpt submitted by Mr. MANSFIELD from the report (No. 1708) is as follows:

Senate Resolution 362 would authorize the Committee on Foreign Relations, or any duly authorized subcommittee thereof, to expend not to exceed \$50,000 from the date of enactment of the resolution through January 31, 1963, "to conduct a full and complete study of all nondiplomatic activities of representatives of foreign governments and their contractors and agents, in promoting the interests of those governments, and the extent to which such representatives attempt to influence the policies of the United States and affect the national interest."

Additional information relative to the purposes of the proposed inquiry is contained in the report of the Committee on Foreign Relations to accompany Senate Resolution 362 (S. Rept. 1679, 87th Cong.) and in a letter to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, from Senator J. W. FULBRIGHT, chairman of the Committee on Foreign Relations, which letter (and accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

HON. MIKE MANSFIELD,
U.S. Senate, Washington, D.C.

DEAR SENATOR: There has been referred to the Committee on Rules and Administration Senate Resolution 362, to authorize a study of nondiplomatic activities of representatives of foreign governments by the Committee on Foreign Relations. This resolution was reported to the Senate July 9, 1962.

Briefly, the resolution authorizes the expenditure of \$50,000 by the Committee on Foreign Relations within the period ending January 31, 1963, to study the nondiplomatic activities of representatives of foreign governments, their contractors and agents and the extent to which such representatives, contractors, and agents attempt to influence the policies of the United States and affect the national interest. This study, which informally began more than 3 months ago, stemmed from growing concern of committee members over the increasing use by foreign governments of nondiplomatic means to influence the conduct of U.S. foreign policy. The committee expects to file its final report by June 30, 1963. It will, however, file an interim report not later than January 31, 1963, containing such results and recommendations as may at that time be appropriate.

The complete background of the committee's study under this resolution is described in Senate Report 1679, which is enclosed. The report also contains the committee's proposed budget for the requested \$50,000.

I hope the Committee on Rules and Administration will give this resolution favorable consideration at your next meeting in order that the Senate can thereafter give it early consideration.

Sincerely yours,

J. W. FULBRIGHT.