The Soviet scheme is to set up puppet governments everywhere. Moscow has done so in the Balkans. It is preparing to do so in other Latin American countries, as it has in Cuba.

So the concrete question which confronts the U.S. Government is whether a puppet government, established with the economic and military aid of a European power which now sends warplanes to such a country, should be ignored and no steps taken to combat the hostile influence which has been generated. Certainly the relations between the United States and Cuba have grown steadily worse under the inspiration of Soviet advisers who play a prominent part in the Cuban Government.

The basic fact is that Cuba today has a puppet government. There have been no elections to give the Cuban people a chance to express themselves. They have been enslaved through methods introduced by Soviet stooges who occupy advisory positions in the Government at Havana. Thus, a police state, instead of a free government, prevails in Cuba.

The Kennedy administration has not yet made up its mind what its policy eventually will be in Cuba. But it is difficult to see how there could be a completely hands-off attitude while the Soviets quietly ship in more and more munitions of war to aid the Castro government. The Russian Migs could at any moment pursue guerrilla tactics and damage American cities. The Russian Government naturally would disclaim all knowledge and all responsibility, and yet considerable injury might well be inflicted for which no recompense could be obtained.

The Cuban problem has been drifting along without any concrete action by the United States. The shipment of Russian Migs to Cuba, however, accentuates the danger, and it is surprising that even in Congress so little attention is being paid to what is happening 90 miles away from the territory of the United States.

[From the New York Times, July 12, 1961]

THE NEEDS OF DEFENSE

There is a curious air of unreality about the President's order to the Defense Department for another major review of our military strength and readiness.

The order was pegged to the Berlin crisis and to Premier Khrushchev's announcement of plans for a sharp increase in Soviet military readiness. As such, it is part of the war of nerves and conflict of propaganda that will become more and more strident between now and the fall.

But the decision to undertake what Secretary of Defense McNamara called still another examination of our defense posture lacks conviction. No propaganda is stronger than the action of government; it cannot be considered apart from those actions. There has been ample opportunity in the 6 months the Kennedy administration has been in office to review our military posture. Indeed, Mr. McNamara's regime in the Pentagon has studied some 140-odd projects, which deal with all phases of military security. The 1962 defense budget has been studied, reviewed, revised and increased. The strengths and weaknesses of the services should be well known by this time to the new civilian officials in the Pentagon and to the President himself.

Actions now will be considerably more impressive than words—and more studies. The needs are clear: more funds for increasing reserve readiness; more Army manpower; more money for Army modernization and Navy ship replacement; continued development of new types of piloted aircraft; some strengthening of our forces in Europe; a limited callup here. What is needed now is decision and action.

SENATE

FRIDAY, JULY 14, 1961

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

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

Almighty God, Father of our spirits, in knowledge of whom standeth our life:

From the tumult of world contentions would we seek the sanctuary of Thy presence, not that we may escape from the world, but that we may turn with a quiet mind to the perplexing maze of its tragic issues.

Whatever outward things these dangerous days take from us, by Thy grace may these testing times make us inwardly more adequate and wise, dependable and strong. As the winds blow harder may our spiritual roots strike deeper. Open our eyes to the evils among us that we condemn in others. Fit us faithfully to protect the Republic from outward aggression and from the treason of inner selfishness.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 12, 1961, 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. Ratchford, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1710) to amend the act of April 6, 1949, as amended, so as to authorize the Secretary of Agriculture to make emergency livestock loans under such act until December 31, 1961, and for other purposes.

The message also announced that the House insisted upon its amendments to the bill (S. 857) to provide for the establishment of Cape Cod National Seashore, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. RUTHERFORD, Mr. O'BRIEN of New York, Mr. SAYLOR, and Mr. KYL were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4591) to continue until the close of June 30, 1962, the suspension of duties on metal scrap, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6441) to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 6141. An act to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes;

H.R. 7576. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

H.R. 8072. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1962, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 6141. An act to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7576. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; placed on the calendar.

H.R. 8072. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1962, and for other purposes; to the Committee on Appropriations.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Government Operations was authorized to meet during the session of the Senate today.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Finance.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McCLELLAN, from the Committee on the Judiciary:

Jack D. Obbink, of Nebraska, to be U.S. marshal for the district of Nebraska.

By Mr. HILL, from the Committee on Labor and Public Welfare:

Edward Stidle, of Pennsylvania, to be a member of the Federal Coal Mine Safety Board of Review.

By Mr. BYRD of Virginia, from the Committee on Finance:

John E. Streltzer, of Colorado, to be collector of customs for customs collection district No. 47, with headquarters at Denver, Colo.;

Lucia M. Cormier, of Maine, to be collector of customs for customs collection district No. 1, with headquarters at Portland, Maine; and

Russell F. Niquette, of Vermont, to be collector of customs for customs collection district No. 2, with headquarters at St. Albans, Vt.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BYRD of Virginia. Mr. President, from the Committee on Armed Services, I report favorably 96 nominations in the grade of major and below. All of these names have already appeared in the RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk, for the information of any Senator.

The VICE PRESIDENT. The nominations will be received, and will lie on the desk, as requested by the Senator from Virginia.

The nominations are as follow:

Vice Adm. Claude V. Ricketts, U.S. Navy, to be Vice Chief of Naval Operations in the Department of the Navy, in the rank of admiral while so serving;

Paul J. Kilday, of Texas, to be a judge of the Court of Military Appeals;

Col. Paul T. Cooper, Regular Air Force, for appointment to the temporary grade of brigadier general in the U.S. Air Force; and

James H. Pemberton, and sundry other persons, for appointment in the Regular Air Force.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

AMBASSADORS

The Chief Clerk proceeded to read sundry nominations of ambassadors.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

INTERNATIONAL COOPERATION ADMINISTRATION

The Chief Clerk read the nomination of Seymour J. Rubin, of the District of Columbia, to be General Counsel of the International Cooperation Administration, in the Department of State.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

DISTRICT OF COLUMBIA CHARTER ACT

A communication from the President of the United States, transmitting a draft of proposed legislation to provide an elected mayor, city council, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes (with accompanying papers); to the Committee on the District of Columbia.

WATER RESOURCES PLANNING ACT OF 1961

A communication from the President of the United States, transmitting a draft of proposed legislation to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources, through the establishment of a Water Resources Council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PLANS FOR WORKS OF IMPROVEMENT IN VARIOUS STATES

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Big Creek, Ark., Ulatis Creek, Calif., South Branch Park River, Conn., Indian Creek and Pony Creek, Iowa, Frog Creek, Kans., Big Reedy Creek and Humphrey-Clanton Creek, Ky., South Branch Cass River, Mich., Plum Creek, Nebr., Upper Red Rock Creek, Okla., Brodhead Creek, Pa., Anasco River, Puerto Rico, and Houser Creek, Tenn. (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF CAREER COMPENSATION ACT OF 1949, RELATING TO INCENTIVE PAY FOR CERTAIN HAZARDOUS DUTY

A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation to amend section 204(a)(10) of the Career Compensation Act of 1949 with respect to incentive pay for hazardous duty inside a high- or low-pressure chamber (with an accompanying paper); to the Committee on Armed Services.

RULINGS AND DEFINITIONS OF TERMS USED IN CERTAIN REGULATIONS REGARDING NUMBERING OF UNDOCUMENTED VESSELS, STATISTICS ON NUMBERING, AND BOATING ACCIDENT REPORTS AND ACCIDENT STATISTICS

A letter from the Assistant Secretary of the Treasury, transmitting, pursuant to law, a copy of interpretative rulings and definitions of terms used in certain regulations regarding numbering of undocumented vessels, statistics on numbering, and boating accident reports and accident statistics (with an accompanying paper); to the Committee on Commerce.

DISTRICT OF COLUMBIA TISSUE BANK ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to encourage and aid the development of reconstructive medicine and surgery and the development of medico-surgical research by authorizing the licensing of tissue banks in the District of Columbia, by facilitating ante-mortem and post-mortem donations of human tissue for tissue bank purposes, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

ESTABLISHMENT OF ADVISORY BOARD ON INDIAN AFFAIRS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to establish an Advisory Board on Indian Affairs (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the receipt of a project proposal under the Small Reclamation Projects Act of 1956 from the Weber-Box Elder Conservation District, of Ogden, Utah; to the Committee on Interior and Insular Affairs.

REPORTS ON ALIENS PAROLED INTO THE UNITED STATES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports on aliens paroled into the United States between January 1, 1961, through May 15, 1961 (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to

law, a copy of the order suspending deportation in the case of Sik Tong Wong, together with a statement of the facts and pertinent provisions of law pertaining to the alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

PLANS FOR WORKS OF IMPROVEMENT IN COLORADO, GEORGIA, INDIANA, NORTH DAKOTA, AND WISCONSIN

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Big Sandy Creek (supplement), Colo., South River, Ga., Middle Fork of Anderson River, Ind., Middle-South Branch Forest River, N. Dak., and Twin Parks, Wis. (with accompanying papers); to the Committee on Public Works.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Texas; ordered to lie on the table:

"SENATE CONCURRENT RESOLUTION

"Whereas on July 14, 15 and 16, the State of Texas will be honored with the presence of His Excellency the President of the Republic of Pakistan, the Honorable Mohammed Ayub Khan, on the occasion of his visit to the home of our distinguished Vice President of the United States, the Honorable LYNDON B. JOHNSON; and

"Whereas the Vice President of the United States with his guest, the President of the Republic of Pakistan, will visit in Austin on the morning of July 17; and

"Whereas this distinguished guest occupies the highest office in the government of his nation, comparable to our own Presidency, having succeeded to that office on October 27, 1958, after a brilliant career in the military branch of his country. In preparation for his career, he studied at Aligarh Moslem University and graduated from the Royal Military College at Sandhurst, England. He served with distinction in the British Indian Army and saw action during World War II on the Burma front. From 1951–58, he ranked as commander in chief of the Pakistan Army and was made a field marshal in 1959.

"Whereas the visit of His Excellency, Mohammed Ayub Khan, is of great significance in furthering our fine relations with the people of Pakistan and it is a distinct privilege to welcome this dedicated leader of the people of the Republic of Pakistan to our State of Texas; and

"Whereas the appearance of the Vice President of the United States and the President of the Republic of Pakistan is of worldwide significance, and it is the desire of the Legislature of the State of Texas to be host to these two distinguished world leaders; Now, therefore, be it

"*Resolved*, That the Senate of the State of Texas (the House of Representatives concurring), in due recognition of the visit of the Vice President of the United States, the Honorable LYNDON B. JOHNSON, and the President of the Republic of Pakistan, Mohammed Ayub Khan, to the State of Texas, and in particular to the capital city of Austin, will meet in joint session at 10 o'clock on Monday morning, July 17, 1961, in the House of Representatives, for the purpose of hearing the Vice President of the United States and the President of the Republic of Pakistan."

A resolution adopted by the Wisconsin Better Government Committee, protesting against Senate bill 1643 and House bill 6400, relating to farm legislation; to the Committee on Agriculture and Forestry.

A resolution adopted by the Wisconsin Better Government Committee, relating to General Walker and his promotion of Americanism in the Army; to the Committee on Armed Services.

A resolution adopted by the Wisconsin Better Government Committee, protesting against the enactment of the Housing Act of 1961; to the Committee on Banking and Currency.

A resolution adopted by the Wisconsin Better Government Committee, protesting against the enactment of the Peace Corps bill; to the Committee on Foreign Relations.

A resolution adopted by the Wisconsin Better Government Committee, protesting against the acceptance of Castro's plan of "tractors for freedom"; to the Committee on Foreign Relations.

A resolution adopted by the Wisconsin Better Government Committee, relating to the practice of "back-door spending"; to the Committee on Government Operations.

A resolution adopted by the Wisconsin Better Government Committee, favoring the enactment of Senate Joint Resolution 35, relating to the treatymaking power; to the Committee on the Judiciary.

Two resolutions adopted by the American Association of University Women, New York City Branch, Inc., endorsing the administration's foreign-aid program and the inter-American program for school progress; to the Committee on Foreign Relations.

A resolution adopted by the board of directors of the East Hillsborough County Chamber of Commerce, Plant City, Fla., favoring an investigation of the Department of State; to the Committee on Foreign Relations.

JOINT RESOLUTION OF WISCONSIN LEGISLATURE

Mr. PROXMIRE. Mr. President, I am in receipt of a letter from the chief clerk of the Senate of the State of Wisconsin, enclosing a joint resolution adopted by the Legislature of Wisconsin. I ask unanimous consent that the letter of transmittal and the joint resolution be printed in the RECORD, and appropriately referred.

There being no objection, the letter and joint resolution were referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

WISCONSIN LEGISLATURE,
SENATE CHAMBER,
Madison, Wis., July 12, 1961.

Hon. WILLIAM PROXMIRE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am enclosing a copy of joint resolution No. S. 39, "Memorializing Congress to enact legislation permitting localities to demand an accounting from recipients of cash payments under the aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare, and also permitting distribution of such aid in commodity or voucher form in appropriate cases."

This joint resolution was adopted unanimously by both houses of the Wisconsin Legislature.

Your very truly,
LAWRENCE R. LARSEN,
Chief Clerk, Senate.

SENATE JOINT RESOLUTION 39

Joint resolution memorializing Congress to enact legislation permitting localities to demand an accounting from recipients of cash payments under the aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare, and also permitting distribution of such aid in commodity or voucher form in appropriate cases

Whereas a news item appearing in the Milwaukee Journal on Sunday, October 16, 1960, reported the fact that in August of this year 10,571 Wisconsin families with 27,660 children received financial help through the aid to dependent children program, which is partially financed by contributions from the Federal Government under the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare; and

Whereas the Federal Government contributes funds for such aid to dependent children program, which is commonly known both as mothers' aid and as State aid, only upon the condition that such aid be disbursed in cash payments, and that no accounting be demanded of individual recipients thereof as to how such cash is spent; and

Whereas the 1959 annual report of the Milwaukee County Department of Public Welfare has disclosed that in that year said department disbursed over $5,500,000 in aid to dependent children payments, of which the Federal Government contributed 48.28 percent and the State government contributed 33.05 percent; and

Whereas the same annual welfare report revealed that in December of that year 2,888 women in Milwaukee County were receiving cash payments for themselves and their children under the aid to dependent children program, and that of such women 32 percent were divorcees, 24.2 percent were unmarried mothers, and 16.7 percent were wives abandoned by their husbands (or a total of 72.9 percent), which figures tend to show that the vast majority of aid recipients under this assistance program are women in rather unfortunate circumstances; and

Whereas another recent news item in the daily press on the subject of such aid has indicated that according to records in the office of the clerk of Milwaukee County circuit court, about one-third of the women and their children involved in the 10,000 current support and alimony cases on file in that office are gettng public assistance (from which it can be assumed that most of these women are receiving aid to dependent children); and

Whereas it would be beneficial to the public interest to permit local authorities to exercise such discretion and control in cases where the recipients of such aid either manage their money unwisely, or conduct themselves improperly, or care for their children inadequately: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Wisconsin Legislature respectfully request the Congress of the United States to consider and enact legislation in 1961 amending the laws relating to aid to dependent children categorical aid

program administered by the Federal Department of Health, Education, and Welfare to grant discretionary authority to local governing bodies and public welfare directors to enable them to demand an accounting from recipients of cash payments under the aid to dependent children program, and also to enable them to distribute such aid in the form of commodities or vouchers for the same in lieu of direct cash payments, as such local governing bodies or public welfare directors may deem appropriate in individual cases; and be it further

Resolved, That authenticated copies of this resolution be transmitted to the Wisconsin Members of the Congress of the United States; and be it further

Resolved, That such Wisconsin Members of Congress be requested to take joint action to insure that this resolution be spread upon the CONGRESSIONAL RECORD for the purpose of making known the contents thereof to all Members of the Congress of the United States.

LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
W. P. KNOWLES,
President of the Senate.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.
DAVID J. BLANCHARD,
Speaker of the Assembly.

PROPOSALS TO MODIFY AID-TO-DEPENDENT-CHILDREN PROGRAM

Mr. WILEY. Mr. President, over the years, Uncle Sam, in cooperation with the States, has developed and carried forward a wide variety of programs to meet the needs of our people, particularly in distressed circumstances.

Among these programs is that of aid to dependent children.

Generally, the program, financed cooperatively by the Federal, State, and local governments, has provided cash payments for recipients.

In my home State of Wisconsin, however, there is a growing feeling that the administrative agencies of such aid ought to have authority to inquire into the utilization of benefits. The purpose would be to prevent abuses or mishandling of such funds.

Recently, the Wisconsin Legislature adopted a joint resolution, S. 39, petitioning Congress to modify the law and permit local agencies to require an accounting of the expenditures of benefits under the aid-to-dependent-children program.

I ask unanimous consent to have the joint resolution printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION NO. 39

Joint resolution memorializing Congress to enact legislation permitting localities to demand an accounting from recipients of cash payments under the aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare, and also permitting distribution of such aid in commodity or voucher form in appropriate cases

Whereas a news item appearing in the Milwaukee Journal on Sunday, October 16, 1960, reported the fact that in August of this year 10,571 Wisconsin families with 27,660 children received financial help through the aid to dependent children program, which is partially financed by contributions from the Federal Government under the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare; and

Whereas the Federal Government contributes funds for such aid to dependent children program, which is commonly known both as mothers' aid and as State aid, only upon the condition that such aid be disbursed in cash payments, and that no accounting be demanded of individual recipients thereof as to how such cash is spent; and

Whereas the 1959 annual report of the Milwaukee County Department of Public Welfare has disclosed that in that year said department disbursed over $5,500,000 in aid to dependent children payments, of which the Federal Government contributed 48.28 percent and the State government contributed 33.05 percent; and

Whereas the same annual welfare report revealed that in December of that year 2,888 women in Milwaukee County were receiving cash payments for themselves and their children under the aid to dependent children program, and that of such women 32 percent were divorcees, 24.2 percent were unmarried mothers, and 16.7 percent were wives abandoned by their husbands (or a total of 72.9 percent), which figures tend to show that the vast majority of aid recipients under this assistance program are women in rather unfortunate circumstances; and

Whereas, another recent news item in the daily press on the subject of such aid has indicated that according to records in the office of the clerk of Milwaukee County circuit court, about one-third of the women and their children involved in the 10,000 current support and alimony cases on file in that office are getting public assistance (from which it can be assumed that most of these women are receiving aid to dependent children); and

Whereas it would be beneficial to the public interest to permit local authorities to exercise such discretion and control in cases where the recipients of such aid either manage their money unwisely, or conduct themselves improperly, or care for their children inadequately: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Wisconsin Legislature respectfully request the Congress of the United States to consider and enact legislation in 1961 amending the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare to grant discretionary authority to local governing bodies and public welfare directors to enable them to demand an accounting from recipients of cash payments under the aid to dependent children program, and also to enable them to distribute such aid in the form of commodities or vouchers for the same in lieu of direct cash payments, as such local governing bodies or public welfare directors may deem appropriate in individual cases; and be it further

Resolved, That authenticated copies of this resolution be transmitted to the Wisconsin Members of the Congress of the United States; and be it further

Resolved, That such Wisconsin Members of Congress be requested to take joint action to insure that this resolution be spread upon the CONGRESSIONAL RECORD for the purpose of making known the contents thereof to all Members of the Congress of the United States.

LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
W. P. KNOWLES,
President of the Senate.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.
DAVID J. BLANCHARD,
Speaker of the Assembly.

RESOLUTIONS ADOPTED BY 53D ANNUAL MEETING OF GOVERNORS' CONFERENCE, PEARL HARBOR, HAWAII

Mr. MANSFIELD. Mr. President, I present, for appropriate reference, a series of resolutions adopted by the 53d annual meeting of the Governors' conference, at Pearl Harbor, Hawaii. I ask unanimous consent that the resolutions be printed in the RECORD.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Armed Services:

"RESOLUTION ON U.S.S. 'ARIZONA' MEMORIAL

"Whereas more than 19 years have passed since the battleship *Arizona* was sunk, its flag still flying, in the surprise attack of Pearl Harbor; and

"Whereas nearly one-third of the 3,600 military personnel killed in that attack still lie in the *Arizona*, their tomb and their shrine; and

"Whereas the old hulk, mostly below water, is rusting badly; but even with the maintenance which it requires, the ship alone would be a poor memorial to these men from 48 States of our great Nation, and an unsuitable focal point for patriotic remembrance; and

"Whereas more than $350,000 has been raised by the Pacific War Memorial Commission of Hawaii in private donations and in contributions by the State of Hawaii for erecting a permanent memorial above the ship; and

"Whereas preliminary construction of the structure has already been accomplished; and

"Whereas legislation has been introduced in the Congress to authorize appropriation of up to $135,000 to complete the project; and

"Whereas the memorial will not only provide appropriate tribute to the deceased men of the *Arizona* but it will also stand as a national memorial to eternal vigilance against the dangers of surprise attack: Now, therefore, be it

"Resolved by the Governors' conference, in extraordinary session assembled at the site of the final resting place of the U.S.S. Arizona. That the U.S.S. *Arizona* Memorial constitutes a national project in every sense of the word; and be it further

"Resolved, that the Congress of the United States make every effort to expedite said appropriation by favorable consideration of S. 180 and H.R. 44, in order that the timetable can be met so that formal dedication services of the U.S.S. *Arizona* Memorial can be held on December 7, 1961, the 20th anniversary of Pearl Harbor; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the Vice President, the Speaker of the U.S. House of Representatives and the chairmen of the Armed Services Committees of the U.S. Senate and House of Representatives."

"RESOLUTION ON FALLOUT PROTECTION AND CIVIL DEFENSE

"Whereas it is abundantly clear that our Nation and all free peoples are desperately challenged by a hostile system which is explicitly and vigorously committed to the elimination of both freedom and human dignity; and

"Whereas the American Nation and its people must stand firmly and purposefully in support of their fundamental beliefs or see those beliefs eroded throughout the world, nation by nation, through subversion and nuclear blackmail; and

"Whereas in order for the American people to have the will to defend their beliefs, they must have the capacity to survive a nuclear attack; and

"Whereas the American people today do not have the facilities to protect themselves and their families from fallout—the most dangerous aspect of nuclear war—and their vulnerability constitutes a serious national weakness in the event of a crisis; and

"Whereas fallout shelters could save many tens of millions of American lives in the event of nuclear war; and

"Whereas fallout protection for our civilian population is possible and is feasible; and

"Whereas it is a matter of utmost gravity to the strength and survival of the Nation and the preservation of peace that immediate steps be taken to obtain fallout protection for all our people and otherwise to reinforce our civil defense: Now, therefore, be it

"Resolved, That this conference hereby declares its support for and agreement with the judgment expressed by the President of the United States on May 25, 1961, that 'there is no point in delaying the initiation of a nationwide long-range program of identifying present fallout shelter capacity and providing shelter in new and existing structures, and, further, that this form of survival insurance fully justifies the necessary expenditure of our effort, time, and money; and be it further

"Resolved, That, since the best way to begin to meet the urgent civil defense requirements of our people is to initiate promptly a positive nationwide program for fallout protection, the Governors of our 50 States, for the safety of our people, the defense of our Nation, and the preservation of freedom, take executive action and request local legislation in line with national policy to—

"1. Provide fallout shelters to the extent feasible in all State buildings as well as in other public facilities; and

"2. Provide income tax deductions (in those States having a State income tax), and exempt the cost of fallout shelters from local real estate taxes, up to a maximum of $100 per planned shelter occupant; and

"3. Stock foods, medicines, and supplies in strategic locations throughout each State; and

"4. Construct an alternate protected seat of State government and assist local governments in acquiring similar protected seats of authority so as to assure the continuity of government functioning in times of emergency; and

"5. Revise, in cooperation with local governments, all building codes and specifications, where necessary, to permit fallout shelter construction; and be it further

"Resolved, That we do hereby reaffirm the recommendations and resolutions adopted by the 1960 Governors' conference on fallout protection and civil defense; and be it further

"Resolved, That the Governors' conference standing committee on civil defense meet with the President of the United States and cooperate with the responsible Federal officials in developing the necessary procedures and policies for the Federal Government's new and affirmative program for civil defense and in allocating among the Federal, State, and local governments the responsibility for such a program; and be it further

"Resolved, That copies of this resolution be transmitted by the chairman of the conference to the President of the United States, to the Secretary of the U.S. Senate, to the Clerk of the House of Representatives of the United States, and to each Member of Congress; and that the leadership of the Federal Government in cooperation with the States is hereby solicited in this crucial undertaking to insure the strength and the survival of the American Nation and its people."

To the Committee on Banking and Currency:

"RESOLUTION ON REPRESENTATION ON FEDERAL DEPOSIT INSURANCE CORPORATION

"Whereas the States and State chartered banking institutions at present have no direct representation in the management of the Federal Deposit Insurance Corporation, which has certain regulatory responsibilities over participating State banks; and

"Whereas the Comptroller of the Currency, despite his direct statutory responsibility for the regulation and operation of national banks, also exercises considerable authority over the activities of participating State banks in his auxiliary role as a member of the Board of the FDIC, and therefore is called upon to perform functions which are not fully compatible and involve certain conflicts of interest; and

"Whereas presently, applications for branches of State banks are subject to the approval of either the FDIC or the Federal Reserve Board: Now, therefore, be it

"Resolved, That the Congress and the President of the United States be and hereby are respectfully memorialized to enact at the current session of the Congress:

"1. Legislation to remove the Comptroller of the Currency from the Board of FDIC and to substitute a three-man board on which State banking systems can be represented.

"2. Legislation to assign to FDIC sole responsibility for approval of branch applications for State as well as national banks in those States which permit branch banks; and be it further

"Resolved, That copies of this resolution be transmitted to the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives and the President of the United States."

"RESOLUTION ON ABANDONED PROPERTY

"Whereas the Commission on Uniform State Laws and the American Bar Association have recommended adoption of uniform 'abandoned property' or 'escheat' laws under which reciprocal provisions would protect the rights of all States to abandoned properties; and

"Whereas a majority of the States have enacted such legislation and bills are now pending in the Congress for reporting Federal funds which may be subject to escheat or abandoned property laws of the respective States: Now, therefore, be it

"Resolved by the Governors' conference that:

"1. All States be urged to enact reciprocal abandoned property or escheat procedures as recommended by the Commission on Uniform State Laws; and

"2. Congress be urged to enact legislation by which abandoned or escheatable funds held by Federal agencies may be reported and delivered to the appropriate States; and

"3. The Comptroller of the Currency or the Congress prohibit national banks from making service charges on dormant accounts which might become subject to escheat in all States which prohibit State banks from levying such charges."

To the Committee on Finance:

"RESOLUTION ON INHERITANCE, ESTATE, AND GIFT TAXES

"Whereas the obsolescence of the Federal credit for State inheritance and estate taxes enacted in 1926 is one of the longstanding problems in Federal-State tax relations; and

"Whereas the improved coordination of State and Federal inheritance, estate, and gift taxes would contribute materially to reducing the compliance burdens of taxpayers and the tax enforcement costs of State governments; and

"Whereas State governments have pressing needs for additional tax revenues to finance governmental progress; and

"Whereas the Advisory Commission on Intergovernmental Relations has developed and has recommended to the President and the Congress a comprehensive legislative program to achieve these ends: Now, therefore, be it

"Resolved, That the Governors' conference urge the President and the Congress to give early and favorable consideration to the revision of the Federal credit for inheritance and estate taxes paid to States as provided under section 2011 of the Revenue Code of 1954; and be it further

"Resolved, That copies of this resolution be forwarded to the President and each Member of the Congress of the United States."

To the Committee on Government Operations:

"RESOLUTION ON FEDERAL INTERFERENCE IN STATE GOVERNMENT ORGANIZATION

"Whereas the scope of Federal activities, particularly in the field of Federal-aid programs, has increased during the past years and may increase in the years ahead; and

"Whereas Federal agencies have endeavored to exercise control over the organizational structure of our State departments through the Federal-aid programs; and

"Whereas recommendations of the various Federal agencies with respect to State organizational structure may be established without sufficient consideration of overall State government efficiency, thereby tending to create waste of manpower and impeding progress and innovation in the States to meet the needs of changing times; and

"Whereas Federal control is exercised by the threat, express or implied, that if any State agency does not conform to the recommendations of the Federal agency Federal aid and assistance shall be withdrawn and terminated; and

"Whereas the strength and vigor of our Federal system rises from the ability of the separate States to experiment and break new ground in organization and programs, to provide leadership and to promote efficiency: Now, therefore, be it

"Resolved by the 53d annual meeting of the Governors' conference that:

"1. The conference deplores the tendency of Federal agencies to dictate the organizational form and structure through which the States carry out federally supported programs.

"2. The Council of State Governments is requested to investigate the matter of Federal statutory and administrative requirements dealing with State organization under the various Federal grant-in-aid programs and to make a report of its investigation to the Governors' Conference Committee on Federal-State Relations, the Advisory Commission on Intergovernmental Relations and the next Governors' conference."

To the Committee on the Judiciary:

"RESOLUTION ON WATER RESOURCES COMPACTS

"Whereas it is evident that population growth and intensified use of water and related land resources will impose increased demands on a relatively inflexible supply of such resources; and

"Whereas the individual States and the Federal Government have legitimate interests, aspirations, and responsibilities in protecting, fostering, and conserving water and related land resources; and

"Whereas the activities of the States and the Federal Government in the water field and in related resources areas need to be coordinated to achieve maximum effectiveness; and

"Whereas the interstate compact is one of the oldest devices used to facilitate intergovernmental cooperation and coordination of effort: Now, therefore, be it

"*Resolved*, That the Governors' Conference urge that early and favorable consideration be given the legislation to grant Congressional consent to the Delaware River Basin Compact and the Northeastern Water and Related Land Resources Compact; and be it further

"*Resolved*, That copies of this resolution be transmitted to the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, and each Member of Congress."

To the Committee on Labor and Public Welfare:

"RESOLUTION ON FEDERAL HEALTH GRANTS

"Whereas the Federal Government currently provides grants-in-aid to the States for certain specific categories of public health services, namely general health services, venereal disease control, tuberculosis control, heart disease control, and cancer control; and

"Whereas the amount of Federal funds going to the States in these categories is relatively small in comparison with total State and local funds appropriated for the same purposes; and

"Whereas the Federal grants are allotted among the several States under separate and different formulas for each category; and

"Whereas the relative priority and emphasis which each State deems necessary to give to the respective categorical programs may vary from year to year depending upon the incidence of the particular problem within a particular State; and

"Whereas increased flexibility in the use of said Federal funds is necessary in the interests of effective State and local programing, budgeting, and accounting: Now, therefore, be it

"*Resolved*, That the Governors' Conference urge the President and the Congress to give early considerations to the recommendations of the Advisory Commission on Intergovernmental Relations which provide for (a) amending the Public Health Service Act of 1944 to permit the transfer of up to one-third of Federal grant funds from any one of the stated categories into any other stated category or categories, at the option of the State and (b) further amending said act to provide a single formula uniform among categories for the apportionment and matching of such Federal funds; and be it further

"*Resolved*, That copies of this resolution be forwarded to the President of the United States and to each Member of the Congress of the United States."

"RESOLUTION ON FEDERAL AID TO EDUCATION

"Fundamental to the greatness of the United States and to the preservation of our democratic order is an informed and responsible citizenry whose preparation for the complexities of modern society is guaranteed by the maintenance of an adequate system of public education.

"The importance of education to the success of our Nation cannot be underscored too strongly. Our expanding economy and material abundance are founded on the full development of our human resources.

"There are, however, many obstacles confronting the further advance of education within our States and territories. In some areas, the demands upon our educational systems have continued to outdistance our ability to satisfy these demands from State and local revenues.

"We have become increasingly convinced that the problems confronting education must be resolved at all three levels of government.

"Our desire is to weld a partnership of public school support that is capable of meeting the educational tasks which we, as a nation, face: Therefore, be it

"*Resolved*, That the 1961 National Governors' Conference advocate and support a Federal program that will provide grants-in-aid to the States and territories to assist in the construction of adequate classroom facilities, loans for the construction and improvement of facilities for higher education, and funds to the States and territories to expand adult education programs conducted through colleges and universities; and be it further

"*Resolved*, That the conference urge Congress to enact legislation to implement these vital goals."

Ordered to lie on the table:

"RESOLUTION ON VICE PRESIDENT LYNDON B. JOHNSON

"Whereas Vice President LYNDON B. JOHNSON graciously accepted on very short notice an invitation and flew thousands of miles to address the Governors' Conference; and

"Whereas Vice President LYNDON B. JOHNSON addressed the conference in the highest terms of statesmanship, setting forth the facts of the world situation and calling for national unity rather than partisan division; and

"Whereas Vice President LYNDON B. JOHNSON has always been willing to extend understanding cooperation to the Governors of the States; now, therefore, be it

"*Resolved*, That the 53d annual meeting of the Governors' Conference does hereby extend its warmest thanks and appreciation to Vice President LYNDON B. JOHNSON."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 929. An act to amend the Internal Revenue Code of 1954 to permit the prepaid dues income of certain membership organizations to be included in gross income for the taxable years to which the dues relate (Rept. No. 543).

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, without amendment:

H.R. 5432. An act to make permanent certain increases in annuities payable from the civil service retirement and disability fund (Rept. No. 545).

By Mr. YARBOROUGH, from the Committee on Post Office and Civil Service, with amendments:

H.R. 3279. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes (Rept. No. 544).

ADDITIONAL FUNDS FOR COMMITTEE ON LABOR AND PUBLIC WELFARE—REPORT OF A COMMITTEE

Mr. HILL, from the Committee on Labor and Public Welfare, reported an original resolution (S. Res. 181) providing additional funds for the Committee on Labor and Public Welfare, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Labor and Public Welfare hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, $15,000 in addition to the amount, and for the same purpose, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

REPORTS OF COMMITTEE ON RULES AND ADMINISTRATION

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, two resolutions, and I ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. The first resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 173) to print 1,500 additional copies of hearings on foreign aid, part 2, for use of the Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Foreign Relations fifteen hundred additional copies of part 2 of the hearings entitled "International Development and Security", held by that committee during the Eighty-seventh Congress, first session.

The VICE PRESIDENT. The next resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 172) to print 1,500 additional copies of hearings on foreign aid, part 1, for use of the Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Foreign Relations fifteen hundred additional copies of part 1 of the hearings entitled "International Development and Security", held by that committee during the Eighty-seventh Congress, first session.

Mr. MANSFIELD. Mr. President, the reason for asking for the immediate consideration of these resolutions is that in adopting such a procedure some thousands of dollars will be saved, because the plates are in place at the Government Printing Office.

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. ANDERSON:

S. 2246. A bill to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources, through the establishment of a Water Resources Council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. ANDERSON when he introduced the above bill, which appear under a separate heading.)

By Mr. AIKEN:

S. 2247. A bill for the relief of Elvira Ciccotelli; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. DOUGLAS, and Mr. METCALF):

S. 2248. A bill to amend the Internal Revenue Code of 1954 so as to permit charitable contributions, bequests, transfers, and gifts to the United Nations Children's Fund (UNICEF) to be deductible for income tax, estate tax, and gift tax purposes; to the Committee on Finance.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT:

S. 2249. A bill to amend the Internal Revenue Code of 1954 for the purpose of stimulating growth, activity, and employment in the metal mining and coal mining industries; to the Committee on Finance.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. PASTORE:

S. 2250. A bill to provide for the incorporation of the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, organized 1883, 78 years old; to the Committee on the District of Columbia.

By Mr. HUMPHREY:

S. 2251. A bill for the relief of Ching Kwock Kin; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself and Mr. CARROLL):

S. 2252. A bill to amend the Sherman Act by increasing the penalties for the violation thereof; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself, Mr. CARROLL, and Mr. HART):

S. 2253. A bill to provide penalties for certain violations of section 1 of the Sherman Act, and for other purposes; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself and Mr. CARROLL):

S. 2254. A bill to amend the Clayton Act, as amended, to supplement the antitrust laws with respect to the liability of the directors, officers and agents of a corporation, to increase the penalties for violations of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself and Mr. HART):

S. 2255. A bill to supplement the antitrust laws with respect to procurement by Government agencies on sealed bids, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bills, which appear under a separate heading.)

By Mr. CARROLL (for himself and Mr. BIBLE):

S. 2256. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 2257. A bill to modify the project for the Duluth-Superior Harbor, Minn. and Wis. to provide for the abandonment of the 21st Avenue west channel, and for other purposes; to the Committee on Public Works.

By Mr. CLARK:

S.J. Res. 117. Joint resolution to amend the joint resolution providing for the preparation and completion of plans for a comprehensive observance of the 175th anniversary of the formation of the Constitution of the United States, and for other purposes; to the Committee on the Judiciary.

RESOLUTIONS

TO PRINT AS A SENATE DOCUMENT AN ARTICLE ENTITLED "KHRUSHCHEV AND THE BALANCE OF WORLD POWER"

Mr. HUMPHREY submitted the following resolution (S. Res. 179); which was referred to the Committee on Rules and Administration:

Resolved, That there shall be printed as a Senate document the article entitled "Khrushchev and the Balance of World Power," by Dr. Joseph G. Whelan of the Legislative Reference Service of the Library of Congress, as taken from the Review of Politics, April 1961.

ADDITIONAL EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. HAYDEN submitted the following resolution (S. Res. 180); which was referred to the Committee on Rules and Administration:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, $15,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

ADDITIONAL FUNDS FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. HILL, from the Committee on Labor and Public Welfare, reported an original resolution (S. Res. 181) providing additional funds for the Committee on Labor and Public Welfare, which was referred to the Committee on Rules and Administration.

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

WATER RESOURCES PLANNING ACT OF 1961

Mr. ANDERSON. Mr. President, I introduce for appropriate reference a bill to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources, through the establishment of a Water Resources Council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning.

This bill is the President's water resources bill of 1961. The bill is brought about by the recommendations of the Select Committee on Water Resources, the chairman of which is the distinguished Senator from Oklahoma [Mr. KERR] and the cochairman of which is the able Senator from California [Mr. KUCHEL].

A very fine job was done by the committee. Recently we sent to Congress and had referred S. 1629. It was prepared by Senators who felt that the recommendations of the Select Committee on Water Resources should be enacted into law as rapidly as possible.

That bill has been partially considered, but will be dropped now in favor of the bill which is the President's water resources bill, which I am happy to introduce in this session.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2246) to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources, through the establishment of a Water Resources Council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning, introduced by Mr. ANDERSON, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

TAX-EXEMPT STATUS FOR UNICEF DONATIONS

Mr. JAVITS. Mr. President, on behalf of the Senator from Illinois [Mr. DOUGLAS], the Senator from Montana [Mr. METCALF], and myself, I introduce, for appropriate reference, a bill to make contributions and bequests to UNICEF—the United Nations Children's Fund—tax deductible.

The bill would reverse a 1958 ruling by the Internal Revenue Service, which interpreted current law as permitting only domestic charities to be eligible for tax-exempt status.

This ruling has resulted in a decline in contributions to UNICEF, which is one of the greatest lifesaving and lifegiving agencies in modern history. All the nations of the United Nations have joined in this effort to wage a war against the ravages of disease and hunger which afflict so many areas of the world. Although governments are the principal supporters of UNICEF, we must do everything we can to promote individual participation in UNICEF, to demonstrate the deep American interest in the welfare of the impoverished and diseased children of the world. In fact, I do not think I need describe further to this body the lifegiving functions of UNICEF to children all over the world.

The important work of UNICEF was dramatized for millions of Americans in a prizewinning television show, produced by Edward R. Murrow, "The Secret Life of Danny Kaye," which was repeated only last night over the CBS television network. Incidentally, Danny Kaye was here, the other day, to give his own support to this effort.

My bill would amend the Internal Revenue Code, so as to give, for UNICEF, the same Federal tax exemption now enjoyed by domestic charitable organizations.

I hope very much the bill will receive early attention.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD, in connection with my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2248) to amend the Internal Revenue Code of 1954 so as to permit charitable contributions, bequests, transfers, and gifts to the United Nations Children's Fund (UNICEF) to be deductible for income tax, estate tax, and gift tax purposes, introduced by Mr. JAVITS (for himself, Mr. DOUGLAS, and Mr. METCALF), was received, read twice by its title, referred to the Committee on Finance, 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 American in Congress assembled, That section 170(c) of the Internal Revenue Code of 1954 (relating to the definition of charitable

contributions) is amended by adding at the end thereof the following new paragraph:

"(6) The United Nations Children's Fund (UNICEF) established by the General Assembly of the United Nations. A contribution or gift by a corporation to such Fund shall be deductible by reason of the preceding sentence only if it is to be used within the United States or any of its possessions for the purposes for which such Fund was established."

SEC. 2. Section 2055(a) of the Internal Revenue Code of 1954 (relating to transfers for public, charitable, and religious uses) is amended (1) by striking out "or" at the end of paragraph (3), (2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or", and (3) by adding after paragraph (4) the following new paragraph:

"(5) to the United Nations Children's Fund (UNICEF) established by the General Assembly of the United Nations."

SEC. 3. Section 2106(a)(2)(A) of the Internal Revenue Code of 1954 (relating to transfers for public, charitable, and religious uses in connection with the definition of taxable estate) is amended (1) by striking out "or" at the end of clause (ii), (2) by striking out the period at the end of clause (iii) and inserting in lieu thereof "; or", and (3) by adding after clause (iii) the following new clause:

"(iv) to give the United Nations Children's Fund (UNICEF) established by the General Assembly of the United Nations."

SEC. 4. (a) Section 2522(a) of the Internal Revenue Code of 1954 (relating to deduction of charitable and similar gifts by citizens or residents) is amended (1) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon, and (2) by adding after paragraph (4) the following new paragraph:

"(5) the United Nations Children's Fund (UNICEF) established by the General Assembly of the United Nations."

(b) Section 2522(b) of such Code (relating to deduction of charitable and similar gifts by nonresidents) is amended (1) by striking out the period at the end of paragraph (5) and inserting a semicolon in lieu thereof, and (2) by adding after paragraph (5) the following new paragraph:

"(6) the United Nations Children's Fund (UNICEF) established by the General Assembly of the United Nations; but only if such gifts are to be used by such Fund within the United States."

SEC. 5. The amendment made by the first section of this Act shall be effective with respect to taxable years ending after December 31, 1958, the amendments made by sections 2 and 3 of this Act shall apply only to estates of decedents dying after December 31, 1958, and the amendments made by section 4 shall apply with respect to gifts or transfers made after December 31, 1958.

REMOVAL OF THE 50 PERCENT OF TAXABLE INCOME LIMITATION ON PERCENTAGE DEPLETION WITH RESPECT TO METAL MINES AND COAL MINES

Mr. BENNETT. Mr. President, I introduce, for appropriate reference, a bill which would remove the 50 percent of taxable income limitation on percentage depletion with respect to metal mines and coal mines. Percentage depletion for those purposes would then be computed on the basis of the stated percentages of gross income from the property as set forth in existing law, but would be limited to 100 percent of taxable income from the property computed without an allowance for depletion. It would not apply to foreign-held reserves.

PRESENT LAW DISCRIMINATES AGAINST ECONOMICALLY DISTRESSED METAL AND COAL MINING INDUSTRIES

The present law discriminates against nearly the entire economically distressed lead-zinc and coal mining industries and against a portion of the copper and many other metal mining operations. These important segments of the mining industry most in need of help are denied their full percentage depletion allowances.

This anomalous situation arises because the actual depletion allowance is limited to the lower of two figures: A specified percentage of the gross income from the property—coal, 10 percent; copper, 15 percent; lead-zinc, 23 percent—or 50 percent of the taxpayer's taxable income from the property. Thus, those producers whose costs are high in relation to gross income must base their percentage depletion allowances on net income. That is, they are subject to the 50 percent of net income limitation, and as a result receive only a fraction of the stated percentage allowance. In industry parlance, they are on net.

In contrast, the operator who is amply clearing his costs on his particular property is on gross. That is, his costs are relatively low in relation to gross income; so he usually gets the full stated percentage depletion allowance and is untroubled by the 50 percent of net income limitation.

EXAMPLES OF DISCRIMINATION UNDER PRESENT LAW

I have received confidential communications from many coal and metal mining operators showing how the present law discriminates against them. There follow several typical illustrations taken from throughout the United States:

Lead and zinc mine A

(Stated percentage under existing law: 23 percent)

Actual percentage received:	*Percent*
1956	17.8
1957	7.7
1958	2.6
1959	6.6
1960	10.0

Lead and zinc mine B

(Stated percentage under existing law: 23 percent)

Actual percentage received:	*Percent*
1956	12.98
1957	10.16
1958	7.10
1959	13.4
1960	8.97

Lead and zinc mine C

(Stated percentage under existing law: 23 percent)

Actual percentage received:	*Percent*
1956	9.30
1957	4.22
1958	2.43
1959	6.14

Lead and zinc mine D

(Stated percentage under existing law: 23 percent)

Actual percentage received:	*Percent*
1956	4.32
1957	1.48
1958	1.84
1959	1.86
1960	4.56

Lead and zinc mine E

(Stated percentage under existing law: 23 percent)

Actual percentage received:	*Percent*
Average 1954–59	7.1

Lead and zinc mine F

(Stated percentage under existing law: 23 percent)

Actual percentage received:

For the years 1956 through 1959, "the actual percentage we have received has never exceeded 15 percent."

Copper mine A

(Stated percentage under existing law: 15 percent)

Actual percentage received:	*Percent*
1956	15
1957	5.26
1958	----
1959	15

Copper mine B

(Stated percentage under existing law: 15 percent)

Depletion deductible (if amount based on gross income were limited to 100 percent—net income):

Percent of gross income:	*Percent*
1956	12.7
1957	3.3
1958	6.6
1959 (8.4 percent)	8.0

Depletion actually deducted (based on gross income but limited to 50 percent of net income):

Percent of gross income:	*Percent*
1956	8.8
1957	1.6
1958	3.3
1959 (5.1 percent)	4.0

Entire coal industry

(Stated percentage under existing law: 10 percent)

Treasury data show that in no year from 1938 through 1958 has the profitable part of the industry—that is, coal-mining corporations reporting net incomes—been able to deduct for depletion as much as 4 percent of gross income or as much as 50 percent of net income before depletion. Only a few coal mines in the country get the maximum depletion allowance.

BILL WILL GIVE SELECTIVE TAX RELIEF TO THOSE WHO NEED IT MOST

I need not belabor the well-established fact that the lead-zinc, coal, and vital segments of the copper and other metal-mining industry are in serious economic circumstances. By approving my bill, Congress could give substantial assistance to those mining operations whose need is the greatest. Significantly, it would be of most help to those operators who are relatively efficient but whose costs are nonetheless high in relation to gross income. However, such a change would not increase the depletion allowances granted to operators of the more profitable mineral deposits.

PERCENTAGE DEPLETION—AN ESSENTIAL AND EQUITABLE INCENTIVE FOR THE MINING INDUSTRY

A healthy mining industry is a necessary component of national security and peacetime prosperity. One need only mention some basic metals—iron, aluminum, copper, lead, zinc, molybdenum, manganese—or the more exotic metals—uranium, thorium, beryllium—to suggest the essential part that metals play in our national well-being.

Incentives are necessary to maintain a healthy mining industry. The percentage depletion allowance provides such an incentive to the mining industry and does so in a manner which is equitable and is probably less costly to the Nation than subsidies or programs designed to restrict foreign competition by means of quotas or tariffs. However, it can never be a substitute for tariff relief in some instances, such as lead and zinc. Rather, it would be complementary.

The mining industry's need for an incentive such as the percentage depletion allowance and the effects on the industry of this allowance will be more evident from a brief consideration of—

First. The distinctive character of the mining industry.

Second. The need for depletion in the mining industry.

Third. Possible inadequacy of the depletion allowance.

Fourth. Extension of the benefits of percentage depletion to high-cost mines.

DISTINCTIVE CHARACTER OF THE MINING INDUSTRY

The problems of the hard-rock miner are basically different from those of the merchant or manufacturer. Some of the problems illustrating this fact are: Availability of raw materials, investment in plant and equipment, and product goodwill.

AVAILABILITY OF RAW MATERIALS

Maintaining a supply of raw materials is an essential function of businesses engaged in producing or selling. To maintain his supply of raw materials, the manufacturer or merchant reorders and restocks; the lumberman plants trees in place of those he cuts down; and the rancher breeds more cattle to replace those he plans to sell. But the miner's supply of raw materials is his mine, a wasting asset which, by the very nature of mining operations, is itself consumed. Hence, if the miner is to maintain the supply of raw materials that he requires in order to stay in business, he must replace his supply of ore through the discovery of additional mineral deposits.

The work of replacing ore supplies is difficult, costly, and risky. It requires the search for new mineral deposits involving a long process of exploration in which there can be no assurance of success and the expenditure of large sums of risk capital, one of the primary sources of which is the profits from successful operations. A banker might be persuaded to advance funds to a merchant or manufacturer who had demonstrated his past record of rapid and profitable turnover; but banks are not in the habit of financing anything as speculative as wildcat exploration. Although detailed statistics seem lacking for the exploration activities of the mining industry, it is a matter of common knowledge that commercially valuable mineral deposits are disclosed in only a very small percentage of the total number of properties on which prospecting and exploration activities are conducted. This percentage may be expected to become even smaller in the future, because the world's ore deposits which were first developed were those which were most easily found and closest to market. As these deposits became exhausted, the mining industry has had to look further and further afield for its needed reserves.

After a mineral deposit has been disclosed, further large expenditures are required to determine more precisely its extent and quality, to develop it for mining, and to provide the plant and equipment necessary for extraction and treatment of the ore. Highways and railroads must often be built to relatively inaccessible areas; and housing and related facilities for a self-sufficient community must often be established. These expenditures are usually of value only in connection with the particular deposit for which they must be provided. Little or no salvage value may be realized when the mineral deposit is exhausted.

When the mine is at last developed, the miner has acquired all the raw materials he will ever have throughout the life of the mine. A major part of the cost of his raw material is thus incurred in a relatively short period of time and before he is in a position to recover any of this cost through the sale of his product. Hence the mine operator has a much larger portion of his capital tied up in raw materials than does the manufacturer or merchant, who may purchase his raw material in limited quantities on a short-term basis and recover his costs before he purchases again.

INVESTMENT IN PLANT AND EQUIPMENT

For the manufacturer and for the miner there is a fundamental difference in the economic function of investment in productive facilities.

For the manufacturer, a relatively large investment in plant and equipment means relatively increased volume or decreased cost. After the original investment has been made, the manufacturer usually may make additional investments in plant and machinery, also with a reasonable expectation of increased volume or decreased cost. Increased production may ordinarily be maintained year after year.

Quite different results flow from the miner's decision as to the size of a shaft or the capacity of a mill. For the miner, a relatively large investment in productive facilities will merely increase the speed with which the available ore reserves of the mine are exhausted and will not increase the cumulative total which may be produced over the limited life of the mine. After his initial plant investment, the miner will usually find it impractical to increase productive capacity; for example, it will usually be prohibitively expensive to increase the diameter of a shaft or to widen a mine adit or tunnel to permit the installation of double tracks.

Beyond having to replace equipment because of normal wear and tear, the miner is in the peculiar position of being required to make additional investment in production facilities merely for the purpose of maintaining production. As the mine face recedes or as the mine workings deepen, the miner must often lay additional track, buy additional mine cars, and provide additional ventilating, lighting, and water facilities. Even with such additional investments in productive facilities, the mine will often produce not more, but less, as the miner intrudes further and further into the earth.

PRODUCT GOODWILL

The manufacturer or merchant strives continually to improve the quality of his product and the service rendered to his customers. He hopes the goodwill thus engendered will insure the continued profitability of his business. The products of a mine, however, are not unique. One pound of copper, lead, or zinc is essentially the same as another. The consumer of metal is normally unaware of and usually indifferent to the source of the ore from which the metal is refined. Even if the customer could be made mine conscious, the effect would usually not be long lasting because of the relatively short life of most mines. Since the basic metals are world commodities in which no style or quality factors are involved, the individual miner can do little to individualize his product so as to affect its selling price or increase its appeal to customers.

THE NEED FOR DEPLETION IN THE MINING INDUSTRY

The distinctive character of the mining industry, as outlined above, makes it essential that adequate depletion allowances be provided as an incentive for the successful operator. As a simple matter of equity, adequate depletion allowances are also required so that, as mineral resources are withdrawn from the ground, an income tax will fall only on income and will not constitute a levy on the capital that produces the income.

The Constitution originally granted the Federal Government the power to levy direct taxes in proportion to population and indirect taxes in a uniform manner throughout the United States. However, the 16th amendment, ratified February 25, 1913, stated:

> The Congress shall have power to lay and collect taxes in incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Although the 16th amendment gave Congress the power to tax income without regard to population, it did not grant the right to levy a direct tax on capital except in proportion to population. Accordingly, beginning with the Revenue Act of 1913, all of our income tax laws have contained provisions to permit the deduction from gross receipts of any amounts representing a mere conversion of capital assets or a return of capital invested. The provisions of the tax laws relating to depreciation and depletion are specifically designed to exclude capital conversion or recovery in the case of plant and equipment and natural resources, respectively.

Without adequate depletion deductions, a so-called income tax will, in reality, be levied on the capital now invested in the mining industry and investors with newly available capital will not find investment in the mining industry attractive or even prudent. Therefore, unless equitable depletion allowances are granted by the tax laws, a healthy domestic mining industry cannot exist.

INADEQUACY OF THE DEPLETION ALLOWANCE

The depletion allowance must be adequate to preserve the capital employed in the industry on an industrywide basis and to provide incentive to potential mine operators and investors. Nevertheless, opposition frequently arises with respect to the percentage depletion deduction. Opponents of percentage depletion all concede that some deduction should be allowed for the amortization of investments in mines. The principle of depletion is not subject to challenge. Opposition has been entirely with respect to the amount of the depletion deduction permitted by present tax laws.

It is not possible to prove with precision whether the depletion deduction presently allowed is adequate or inadequate. Recognizing that there are a great number of complex economic factors bearing upon the financial well-being of any industry, we may nevertheless compare the financial health of those industries to which percentage depletion is allowed with the financial health of industry in general. One way in which this may be done is to express annual corporate net income as a percentage of the related invested corporate net assets. Such percentages have been compiled for many years by the First National City Bank of New York for groups of leading corporations in a representative number of fields of business.

The percentages for the 28-year period 1932 to 1959 have averaged approximately 8.6 percent both for the metal-mining group and for the all-industry group, which includes manufacturing as well as nonmanufacturing businesses. Percentage depletion was first allowed for metal mines in 1932, so that the allowance was available to the metal-mining group for this entire period, 1932–59. But the equality of the percentage rate of return cited above contradicts any assertion that the rate of return for the metal-mining industry has been excessive when compared to the rate of return for industry as a whole. And if a similar comparison is made for the period 1957 to 1959—the three most recent years for which such information is available—the percentages have been approximately 9.8 percent for industry as a whole, but only approximately 7.3 percent for metal mining. This indicates that while, during the 1957–59 period, the rate of return for industry as a whole was approximately 14 percent above the 28-year average previously mentioned, the rate of return for metal mining was approximately 15 percent below the comparable 28-year average. Thus, at the present time, the existing allowances for percentage depletion not only are not resulting in an excessive rate of return to the metal-mining industry, but apparently are inadequate to enable this industry to maintain a rate of return equal to that of industry as a whole. Of course, many mines are operating with virtually no profit or at a loss. In view of some of the previously mentioned features of the metal-mining business, investment therein will always be considered somewhat speculative; therefore, the metal-mining industry might have been expected to show a somewhat higher rate of return on investment than that shown by industry as a whole. To the extent that the percentage depletion allowances are means for helping to produce this result, it would appear that the present percentage depletion allowances in the metal-mining industry are inadequate and, therefore, should be increased.

Further indications of this inadequacy may be found in the daily newspapers. The iron and steel industry is operating at about 50 percent of capacity. There is an overproduction capability in the aluminum industry of about 25 percent. The copper industry has an overproduction capacity of about 10 percent. The domestic mine production of lead fell in 1960 to 225,000 tons, the lowest level since the turn of the century and less than half the output of the 1920's. The prices of both lead and zinc were lowered by producers during December 1960, bringing lead to 11 cents a pound and zinc to 12 cents a pound, both down 1 cent for the year.

EXTENSION OF THE BENEFITS OF PERCENTAGE DEPLETION TO HIGH-COST MINES

The economic recession in industries engaged in the production and processing of metals cannot be blamed solely on the inadequacy of the percentage depletion deduction. Undoubtedly, the construction of facilities to meet expected demand that did not materialize, the impact of foreign competition, and in general the cost-price squeeze, are among the factors also contributing to the depressed conditions in these industries.

The restrictions of foreign imports by means of tariffs would have a beneficial effect on the depressed mining industry. Subsidies might also be helpful in isolated instances. However, a step which would certainly be of tremendous direct benefit to the mining industry would be a change in the method of computing the percentage depletion allowance so that in the case of the mining industry the amount allowed would be limited to 100 percent, rather than to 50 percent, of the net income from the property.

There is adequate precedent in the tax laws for this change. In the Revenue Act of 1913, the first income tax act after the adoption of the 16th amendment, the deduction for depletion in the case of mines, was 5 percent of the gross value at the mine of the output for the year.

In the Revenue Act of 1916, the deduction for depletion—based on fair market value as of March 1, 1913—could exceed the total net income from a particular mine and thus serve to offset income from other sources. The depletion provisions of the Revenue Act of 1918 broadened the concept of capital recovery of "values" by permitting the depletion deduction to be based not only on the fair market value as of March 1, 1913, but also on the fair market value of the property at the time of its discovery, provided such "discovery value" was materially disproportionate to the cost of the property. During the hearings on the Revenue Act of 1921, the Treasury Department recommended that discovery value depletion be limited to 50 percent of the net income from the property in order to prevent any possibility of such depletion offsetting other income. This proposal was respected, but the Senate Finance Committee did impose a limitation of 100 percent of net income. The Revenue Act of 1924 substituted the 50 percent net income limitation for the 100 percent limitation of the 1921 Act. Percentage depletion was first enacted in the Revenue Act of 1926, replacing discovery depletion with respect to oil and gas, and the deduction was limited to 50 percent of net income, following the limitation which had been applicable for discovery depletion.

Before discussing the economic consequences that might be expected to flow from the removal of the 50 percent net income limitation, I present the following illustration of the arithmetic of percentage depletion at this point in my remarks:

	Lead-zinc	Copper	Low cost oil operation
Gross income from the property	$1,000	$1,000	$1,000
Costs	950	850	440
Net income from property	50	150	560
Percentage depletion:			
(a) Computed under present law:			
27½ percent of gross income			275
23 percent of gross income	230		
15 percent of gross income		150	
50 percent of net income	25	75	280
Allowance (the lower of 2 amounts above)	25	75	275
(b) Computed with a limitation of 100 percent of net income	50	150	275

In the case of each business—lead, zinc, copper, and oil—I have assumed that the gross income from the property is $1,000. In the case of lead, zinc, or copper, such gross income from the property represents, in effect, the value of the concentrate or precipitate resulting from milling or leaching the crude ores. The values added by smelting and refining—or by any other process beyond the ordinary processes of mining, as defined in code section 613(c)—may not be included in gross income from the property. For the oil well, such gross income from the property corresponds to the field price of the oil at the wellhead.

The costs assumed in this illustration probably bear some relation to reality. The lead-zinc miner in this illustration is barely clearing his costs. Many of his fellow lead-zinc miners are, in fact, operating at a loss. The copper miner is doing slightly better. However, some of his associates are also failing to cover their costs. The operator of the oil well, however, appears to be amply clearing his costs on this particular property. In the natural resource industries, this oil operator would be described as being "on gross." On the other hand, the lead, zinc, and copper miners in this illustration are "on net," which is to say that they are producers whose costs are high in relation to gross income, and whose percentage depletion allowances are, therefore, based on net income; that is,

are subject to the "50 percent of net income" limitation.

Incidentally, this illustration should not be considered as criticism of the percentage depletion allowance presently granted to the oil operator or to any other producer of the minerals whose use has contributed so much to our economic well-being. The tax benefit applicable to the $275 depletion deduction is necessary to restore the capital expended in the initial development of the well and, even more important, to restore the capital expended in exploration and in drilling wells that proved dry or uneconomic. Since there are 48 unprofitable wildcat wells out of every 49 drilled, it is most appropriate to provide for adequate percentage depletion deductions as one incentive for the operator of the single well which proves successful.

Percentage depletion under present tax law does reward the apparently successful, and presumably efficient, operator. However, the lead-zinc miner and the copper miner in the above illustration, while not notably successful, are not necessarily inefficient. There are undoubtedly many mines which, even with the most capable management available, could not possibly be operated at a relatively great profit, so as to place their depletion allowances "on gross." By removing the 50-percent net income limitation; that is, by computing percentage depletion on the basis of the stated percentages of gross income from the property, limited to 100 percent of the taxable income from the property, Congress could increase the percentage depletion allowances for the relatively efficient operators whose need is greatest. Such a change would not increase the depletion allowances granted to operators of the more profitable mineral deposits, whose allowances would still be based on stated percentages of gross income from the property, as in the case of the oil operator in the above illustration.

WHY COAL INDUSTRY WOULD BENEFIT FROM REMOVAL OF 50-PERCENT-OF-TAXABLE-INCOME LIMITATION ON PERCENTAGE DEPLETION

IN GENERAL

The actual percentage depletion allowance is the lower of two figures: A specified percentage of the gross income from the property—in the case of coal mining, 10 percent—or 50 percent of the taxpayer's taxable income from the property—1954 code, section 613(a). In the event that depletion based on cost would result in a greater deduction, however, such cost depletion must be deducted instead of percentage depletion. But percentage depletion deductions can still be taken after previous depletion deductions on a given property have equaled basis.

As the quoted language of the statute indicates, depletion is figured separately for each property. This is important because a particular taxpayer may have a number of different properties of widely varying gross income and net income attributes. On some properties, the effective rate of depletion may be the percentage of gross income specified in the law, on others it may be 50 percent of net income, and on still others it may be an allowance based upon cost. The general definition of the term "property" is "each separate tract or parcel of land"—1954 code, section 614(a). There are many exceptions to, and qualifications of, this general rule, and in the coal industry a "property" in most cases is substantially equivalent to a "mine."

In order to apply the percentage depletion formula to any given taxpayer, it is necessary to determine not only what his properties are but also what his gross income and taxable income from each property are. Depletion is based only on the gross income from mining and cannot be computed on receipts from other sources—1954 code, section 613(c)(1). Mining includes three categories of operations: First, the extraction of the ores or minerals from the ground; second, the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products; and third, transportation to treatment plants not to exceed 50 miles—1954 code, section 613(c)(2). Although code section 613 was extensively amended in 1960, the provisions relating to coal were not changed.

Although 10 percent is usually described as "the depletion rate" for coal, just as 27½ percent is commonly called "the depletion rate" for oil and gas, the allowance of this rate is by no means automatic or universal. Because of the 50-percent-of-taxable-income limitation, a coal producer must have a taxable income amounting to at least 20 percent of gross income from a particular property before he receives the advantage of the full 10 percent of gross income with respect to that property. Relative to the total number of coal mines in the country, only a few earn such good profits that they get the maximum depletion allowance.

As mentioned above, a separate depletion deduction must be computed for each mineral property, which generally means for each coal mine. Unless the mine shows a profit—or, in the terms of the code, unless there is "taxable income" from it—in any given taxable year, no percentage depletion deduction at all is taken regardless of the popularly stated "depletion rate" on the minerals involved. Many mines are unprofitable for many years, which emphasizes the fact that capital recovered out of earnings in good years must be adequate to make up for the lack of any capital recovery for lean years. This is particularly true in the coal industry, which is a cyclical one, with wide variations in demand and production from year to year. During the last decade it has been shrinking, having fallen from a production in 1960 of about 413 million tons or about 33 percent. Profitwise, this is an extremely painful process, because a shrinking industry does not earn steady or good profits.

Moreover, individual mines will vary from year to year in profit or loss results due to changes in demand, in prices, in underground conditions, in quality of product, in mining equipment used, in mining techniques used, and in management personnel. It is extremely difficult to find a mine which is uniformly profitable year after year.

POOR PROFIT HISTORY OF COAL INDUSTRY

The industry as a whole has not had a good profit history. For example, during the 12-year period from 1928 to 1939, inclusive, data published by the Treasury Department show that the bituminous coal industry wound up with a net loss of over $313 million.

(See attachment A.)

The same data show that for the 19-year period 1940 to 1958, inclusive, which included the war years and good business years of the postwar period, the total net profit after all charges and taxes was $1,017,832,000 or an average of $53,570,000 per year. But within that period, net income varied from $196 million in 1948 to a net loss of about $1 million in 1954. There were 2,163 corporate returns filed for this year 1948, of which 1,434 showed a net profit and 729 showed a net loss. For the year 1954, there were 1,424 corporate returns—note the shrinkage in numbers—of which 462 showed a net profit and 962 showed a net loss. For 1956, a good year, there were 1,800 returns, of which half—900—showed a net profit and half—900—a net loss.

Treasury data show that in no year from 1938 through 1958 has the profitable part of the industry—that is, coal mining corporations reporting net incomes—been able to deduct for depletion as much as 4 percent of gross income or as much as 50 percent of net income before depletion.

(See attachments B and C.)

Nineteen hundred and fifty-six was a good year profitwise, the net profit of the industry—active corporations filing returns—being about $70 million. This was produced from a gross income of about $2½ billion. Net profit was therefore about 2.8 percent of gross income, which is not a good showing for an industry characterized by so many risks. Depletion allowed for the year was about $76 million, or slightly over 3 percent of gross income.

(See attachment A, data as to all active corporations making returns.)

The data shown by attachments B and C, being compiled only on returns showing net incomes, indicate higher percentages for depletion in relation to gross income and to net income than would be true for the industry as a whole; that is all active corporations filing returns reporting net incomes and net losses.

Attachment D translates various data into cents per ton of coal. Note that depletion deductions generally run less per ton than depreciation deductions and that in recent years the depletion allowance varies between 10 and 15 cents per ton.

The provisions for averaging incomes by carrying back and forward net operating losses are extremely helpful to the coal industry, but are of little help to the coal mining industry in respect of percentage depletion deductions. The reason is that the carryback, carryforward provisions are applied on a taxpayer basis while the percentage depletion deductions are computed on a separate property basis.

EXAMPLES OF OPERATION OF 50 PERCENT OF TAXABLE INCOME LIMITATION

Perhaps a few examples will illustrate the situations that frequently face coal mine operators. Let us assume that in one year the coal operator has a gross income from mining from a particular mine of $5.25 per ton, and that his production cost before taxes and depletion is $5.25 per ton—a situation which happens all too frequently. In the next year the operator has a gross income from mining of $7 per ton with the same production cost of $5.25 per ton. Under the present law, this operator will have no percentage depletion deduction in the first year and 70 cents a ton in the second year, or an average allowance for the 2-year period of 5.7 percent of the gross income from the property for the 2-year period. However, if the 50 percent limitation were removed, the deduction for percentage depletion would be 52.5 cents a ton in the first year—in lieu of nothing—and would still be 70 cents a ton in the second year.

When the operator has no net income from his mining but does have some outside income for the same year, he may have no net operating loss or break even in his total operations. In such a situation, he would have no carryback or carryforward, under present law.

Let us assume, to further illustrate the application of depletion, that the taxpayer operates two coal mines and in the same year one makes money and the other loses money. We further assume that they are separate properties. He would get a percentage depletion deduction for the profitable mine but none for the unprofitable mine. But since he had no operating loss on his whole operations, he would not have any carryforward or carryback.

Again, let us assume that the taxpayer operates more than two mines. Some companies operate as many as 15 or 20. Some of these mines may be consistently profitable, some consistently unprofitable, and some may vary back and forth from red ink to black ink in different years. It is obvious that capital recovery on all the mines must come from the profits of the profitable mines. There would be no benefit from the carryforward and carryback provisions except with respect to those years when there is a net loss on the entire operations. The point is that, with respect to percentage depletion, each mining property is considered by itself and not in relation to any other property, and no percentage depletion deduction is allowed for that property except in those years when it has a net taxable income.

WHY COAL MINES SOMETIMES MUST OPERATE AT A LOSS

One may well ask why a coal operator keeps coal mines in production year after year if they do not earn money. There are a number of answers to this question. One is that once the investment has been made in developing the mine and equipping it with machinery, the only possible chance of earning any profits and recoving the capital investment is by continued operation. If a mine is closed down and liquidated, a substantial loss ensues. Sometimes lease provisions require continued operation of properties even though they are not consistently profitable.

In other cases a losing mine may supply a type of coal which fits a particular market of the producer and which may aid in the sale of coal from his other mines. In other cases, by spreading overhead over several mines, including one or more unprofitable ones, the overall results may be better because of lower overhead per ton of coal produced than would be the case if the losing mines were closed. Again, it is often cheaper to operate a coal mine at a loss than it is to shut it down and hold it in standby condition. A closed-down mine deteriorates very rapidly and its labor force is dissipated and difficult to reassemble.

CONCLUSION

The 50 percent of taxable income limitation should be removed, not only to give the industry a better chance to recover needed capital from earnings, but also to make the industry more attractive for investors.

I ask unanimous consent that the four attachments to which I have referred be printed in the RECORD at this point.

I also ask unanimous consent that the bill be held on the desk for additional sponsors until the close of business Tuesday, July 18.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be received and appropriately referred; and, without objection, the statements will be printed in the RECORD and the bill will lie on the table, as requested.

The bill (S. 2249) to amend the Internal Revenue Code of 1954 for the purpose of stimulating growth, activity, and employment in the metal mining and coal mining industries, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Finance.

The attachments presented by Mr. BENNETT are as follows:

ATTACHMENT A

Profit-and-loss statistics, bituminous coal mining industry, 1928 to 1958—Total of all active corporations making returns

[Money figures in thousands]

Year	Number of returns	Gross income [1]	Net income (+) or deficit (−) before depletion	Depletion [2]	Net income (+) or deficit (−)	Federal taxes on income	Net profit (+) or net loss (−)
1928	2,705	$949,339	−$6,514	$17,994	−$24,508	$3,442	−$27,950
1929	2,342	992,408	+7,345	18,648	−11,303	3,940	−15,243
1930	2,239	874,783	−26,089	15,982	−42,071	2,637	−44,708
1931	2,095	624,693	−37,525	10,220	−47,745	1,039	−48,784
1932	1,864	469,698	−41,488	9,679	−51,167	777	−51,944
1933	1,851	519,032	−35,610	11,939	−47,549	1,029	−48,578
1934	2,017	718,428	+7,215	14,799	−7,584	3,308	−10,892
1935	1,975	768,497	+1,034	16,610	−15,576	2,750	−18,326
1936	1,945	883,570	+15,430	18,740	−3,310	3,214	−6,524
1937	1,815	928,042	+17,243	18,020	−777	3,208	−3,985
1938	1,887	717,194	−14,833	11,834	−26,667	1,661	−28,328
1939	1,820	816,205	+9,521	15,689	−6,168	2,844	−9,012
1940	1,756	955,143	+34,408	20,012	+14,396	6,593	+7,803
1941	1,722	1,207,747	+69,973	27,321	+42,651	19,065	+23,586
1942	1,737	1,302,301	+100,535	32,620	+67,915	33,790	+34,125
1943	1,623	1,447,048	+136,195	40,038	+96,157	49,244	+46,913
1944	1,584	1,603,123	+137,302	44,566	+92,736	48,925	+32,810
1945	1,544	1,544,376	+110,500	39,206	+71,294	35,613	+35,681
1946	1,640	1,627,846	+121,045	40,508	+80,537	29,975	+50,562
1947	1,837	2,314,511	+334,797	76,139	+258,658	90,225	+168,433
1948	2,163	2,714,334	+398,317	88,691	+309,626	113,038	+196,588
1949	2,070	1,927,298	+144,800	47,477	+97,323	43,038	+54,285
1950	1,996	2,420,817	+223,048	59,922	+163,126	69,425	+93,701
1951	1,813	2,562,199	+189,415	75,720	+113,695	57,096	+56,599
1952	1,665	2,288,388	+127,089	57,895	+69,194	35,713	+33,481
1953	1,572	2,049,822	+93,907	52,544	+41,363	28,825	+12,538
1954	1,424	1,667,895	+54,230	39,270	+14,960	15,948	−988
1955	1,592	2,028,487	+127,257	60,214	+67,043	30,418	+36,625
1956	1,800	2,456,858	+194,517	75,818	+118,699	48,802	+69,897
1957	1,750	2,603,232	+173,047	84,245	+88,802	44,799	+44,003
1958	1,481	2,040,982	+107,099	60,307	+46,792	25,602	+21,190

[1] Includes some income from sources other than mining, but the amount thereof cannot be isolated.

[2] Includes cost depletion as well as percentage depletion, but the amounts of each cannot be determined.

Source: "Statistics of Income," U.S. Bureau of Internal Revenue.

ATTACHMENT B. BITUMINOUS COAL MINING

Relationship of depletion to gross income (corporations reporting net income)

[Dollar amounts in thousands]

Year	Gross income [1]	Depletion [2]	Percent depletion is to gross income
1938	$253,467	$4,705	1.9
1939	390,621	8,506	2.2
1940	658,961	15,486	2.4
1941	871,404	17,274	2.0
1942	1,126,449	30,289	2.7
1943	1,277,666	37,540	2.9
1944	1,425,746	42,092	3.0
1945	1,347,600	36,576	2.7
1946	1,424,400	38,690	2.7
1947	2,216,763	74,780	3.4
1948	2,542,354	86,286	3.4
1949	1,578,787	44,596	2.8
1950	2,063,095	57,778	2.8
1951	2,129,717	71,089	3.3
1952	1,776,265	52,435	3.0
1953	1,530,402	47,890	3.1
1954	1,159,895	34,780	3.0
1955	1,701,953	56,862	3.3
1956	2,040,456	69,838	3.4
1957	2,263,220	81,518	3.6
1958	1,582,063	54,487	3.4

[1] Includes some income from sources other than mining, but the amount thereof cannot be isolated.

[2] Includes cost depletion as well as percentage depletion, but the amounts of each cannot be determined.

Source: Statistics of Income, U.S. Bureau of Internal Revenue.

ATTACHMENT C. BITUMINOUS COAL MINING

Relationship of depletion to net income before depletion (corporations reporting net income)

[Dollar amounts in thousands]

Year (1)	Net income before depletion (2)	Depletion [1] (3)	Percent depletion is to net income before depletion (4)
1938	$15,817	$4,705	30.0
1939	26,763	8,506	32.0
1940	45,499	15,486	34.0
1941	74,105	17,274	23.3
1942	107,331	30,289	28.2
1943	140,693	37,540	27.0
1944	143,092	42,092	29.4
1945	117,988	36,576	31.0
1946	128,243	38,690	30.2
1947	339,531	74,780	22.0
1948	404,883	86,286	21.3
1949	167,399	44,596	26.6
1950	238,141	57,778	24.3
1951	210,553	71,089	33.8
1952	140,698	52,435	37.3
1953	120,483	47,890	39.7
1954	81,720	34,780	42.6
1955	143,897	56,862	39.5
1956	204,643	69,838	34.1
1957	195,706	81,518	41.7
1958	127,071	54,487	42.9

[1] Includes cost depletion as well as percentage depletion, but the amounts of each cannot be determined.

Source: Statistics of Income, U.S. Bureau of Internal Revenue.

ATTACHMENT D. BITUMINOUS COAL MINING

Tax, depreciation, and depletion (corporations reporting net income and no net income)

[Cents per ton]

Year (1)	Income tax (2)	Excess profits tax (3)	Total tax (4)	Depreciation (5)	Depletion [1] (6)
1938	0.5	(2)	0.5	10.5	3.4
1939	.7	(2)	.7	9.2	4.0
1940	1.3	0.1	1.4	8.3	4.3
1941	2.5	1.2	3.7	7.9	5.3
1942	3.6	2.2	5.8	6.6	5.6
1943	4.7	3.7	8.4	6.6	6.8
1944	4.6	3.3	7.9	6.5	7.2
1945	4.2	1.9	6.1	7.1	6.8
1946	5.6	(2)	5.6	8.2	7.6
1947	14.3	--------	14.3	8.0	12.1

See footnotes at end of table.

ATTACHMENT D. BITUMINOUS COAL MINING—Continued

Tax, depreciation, and depletion (corporations reporting net income and no net income)—continued

[Cents per ton]

Year (1)	Income tax (2)	Excess profits tax (3)	Total tax (4)	Depreciation (5)	Depletion [1] (6)
1948	19.1	--------	19.1	11.5	15.0
1949	9.8	--------	9.8	16.3	10.8
1950	13.1	.3	13.4	16.2	11.6
1951	10.5	.2	10.7	15.8	14.2
1952	7.6	.1	7.7	18.1	12.4
1953	6.3	(2)	6.3	18.1	11.5
1954	4.1	--------	4.1	22.1	10.0
1955	6.5	--------	6.5	19.6	13.0
1956	9.7	--------	9.7	19.9	15.1
1957	9.1	--------	9.1	22.9	17.1
1958	6.2	--------	6.2	27.4	14.7

[1] Includes cost depletion as well as percentage depletion, but the amounts of each cannot be determined.

[2] Less than 1/10 of 1 cent.

Source: Primary Data Statistics of Income, U.S. Bureau of Internal Revenue, and U.S. Bureau of Mines.

RELIEF FROM DISCRIMINATORY MARITIME FREIGHT RATES ESSENTIAL—AMENDMENT TO SHIPPING ACT

Mr. GRUENING. Mr. President, on behalf of myself and my colleague, Mr. BARTLETT, I submit, for appropriate reference, an amendment to the bill (H.R. 6775) to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences. This bill is at present before the Senate Committee on Commerce.

This amendment was the same one we offered to S. 2154 late last month when the Senate had before it an amendment proposing to extend for 1 year the exemption from the application of the antitrust laws now enjoyed by dual rates established by steamship conferences.

The other body refused to agree to an extension of 1 year and the exemption was extended by action of both Houses until September 15 of this year.

Thus if the legality of these dual steamship conference rates is to be preserved after September 15, some action will have to be taken by the Congress before then.

The amendment we are proposing is a simple one and is of limited applicability. It provides that if the chief executive of a State believes that his State is being unfairly discriminated against under a conference fixed rate, he may file a formal protest with the Maritime Board. The discriminatory rate would thereupon be suspended for 90 days to afford the shipping conference involved an opportunity to show cause why the discriminatory order should not be set aside. It should be noted that the procedure contemplated under our amendment cannot be utilized by any shipper who feels himself aggrieved by a rate set by a steamship conference. The remedy is available only to the Governor of a State or a territory.

We have taken steps to guard carefully against needless or frivolous harassment of steamship lines. The action under our amendment can be initiated only by the chief executive of the State. It would be most difficult for anyone to say that one holding the highest elective office in any of the States would take advantage of the procedures provided in our amendment to harass the steamship lines.

At present the slow processes of the Maritime Board permit of no adequate, effective method of obtaining relief—however sorely needed—against steamship rates set by conferences which discriminate against the entire peoples of a sovereign State of the Union.

And that is exactly what has happened with respect to the peoples of the State of Alaska. They have been mercilessly saddled through the conference system with an arbitrary 30-percent surcharge on ocean freight moving between Alaska and Japan. Thus, though the distance from Tokyo to Anchorage is appreciably less than from Tokyo to Seattle, Portland, or San Francisco, the ocean freight rate between Tokyo and Anchorage is computed by arbitrarily adding to the rate between Tokyo and San Francisco an additional amount equal to 30 percent. This is a deliberate and callous maneuver to discourage the development of the infant but growing commerce between Japan and Alaska—a commerce which, if permitted to grow without artificial hindrance, holds great promise of aiding in reducing Alaska's abnormally high cost of living.

To begin with that cost of living has to a great extent been raised to its present heights by abnormally high water transportation costs artificially maintained. When therefore the beginnings of a mutually profitable trade with Japan showed promise of bringing down living costs it is intolerable to have the shippers get together—under protection granted by the present exemption from the antitrust laws of conference established rates—to stifle that growing hope of Alaskans.

It is true that when this amendment was offered on the floor of the Senate on June 28, 1961, I subsequently withdrew the amendment, but only after receiving assurances from the able and distinguished chairman of the Senate Commerce Committee that Alaska's plight would be considered by his committee. This amendment is being submitted at this point, therefore, so that the Senate Commerce Committee will have it before it when it begins its hearings on July 17, on H.R. 6775, a bill designed to bring these conferences established rates under reasonable regulation.

It is my intention to present an oral statement to the Senate Commerce Committee at the appropriate time indicating the justice of Alaska's position in this matter. Legislation in this area must be enacted by September 15 if the legality of many of the steamship conferences actions is not to be called into question. It would be intolerable if the legislation enacted did not contain provisions making it absolutely certain that this unfair discrimination against the State of Alaska—or against any other State for that matter—could not be maintained. I shall press strongly for such a result.

Mr. President, it is my sincere hope that the Senate Committee on Commerce, long before the September 15 deadline, will be able to report to the Senate an acceptable version of H.R. 6775, which can be enacted by both Houses of the Congress. Under the able and distinguished leadership of the chairman of the House Committee on the Judiciary, Congressman EMANUEL CELLER, that committee has conducted extensive hearings on the operations of steamship conferences. It has found that the American public has through the years, been the victim of numerous abuses.

This may raise the question, in the weeks ahead, Mr. President, if corrective legislation is not enacted, as to whether the American shipping industry—and the American people—may not in the long run be better off without a continuation of the exemption from the application of the antitrust laws to the operations of the steamship conferences.

On that point I must reserve my judgment.

But on one point I am certain. Alaska, the people of Alaska and the Alaska trade would be far better off without an extension of this exemption than with an extension which leaves Alaska in the present position of being at the mercy of unbridled discrimination on the part of the steamship conferences.

I ask unanimous consent that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Commerce, as follows:

At the end thereof add the following new section:

"SEC. 8. Section 16 (first) of the Shipping Act, 1916 (39 Stat. 734; 46 U.S.C. 815) is hereby amended by adding at the end thereof the following: '*Provided*, That within thirty days after enactment of this Act, or within thirty days after the effective date or the filing with the Board, whichever is later, of any conference freight rate, rule, or regulation, the Governor of any State, Commonwealth, or possession of the United States may file a protest with the Board upon the ground that the rate, rule, or regulation unfairly discriminates against that State, Commonwealth, or possession of the United States in which case the Board shall by order suspend the effectiveness of such rate, rule, or regulation and issue an order to the conference to show cause why the rate, rule, or regulation should not be set aside; if such suspension and order to show cause issues, the Board shall within ninety days of such issuance determine whether or not such rate, rule, or regulation is unfairly discriminatory and issue a final order either dismissing the protest or setting aside the rate, rule, or regulation.' "

ESTABLISHMENT OF U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY—ADDITIONAL COSPONSORS OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the names of Senators JAVITS, PELL, and PROXMIRE be added as cosponsors to my bill, S. 2180, to establish a U.S. Disarmament Agency for World Peace and Security.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROTECTION OF THE GOLDEN EAGLE—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Alaska [Mr. GRUENING] may be added as a cosponsor to Senate Joint Resolution 105, the resolution I have submitted to protect the golden eagle from extermination.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED RAILROAD MERGERS—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the senior Senator from Illinois [Mr. DOUGLAS], be added as a cosponsor to Senate Resolution 150 which I introduced on behalf of myself and several of my colleagues on May 19, 1961. This resolution urges the Interstate Commerce Commission to study carefully the proposed railroad mergers which have been proposed in recent months.

The PRESIDING OFFICER. Without objection, it is so ordered.

COOPERATION WITH FIRST WORLD CONFERENCE ON NATIONAL PARKS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 28, 1961, the names of Mr. MORSE, and Mr. LONG of Missouri were added as additional cosponsors of the bill (S. 2164) to authorize the Secretary of the Interior to cooperate with the First World Conference on National Parks, and for other purposes, introduced by Mr. MAGNUSON (for himself and other Senators) on June 28, 1961.

NOTICE OF HEARINGS ON S. 2212 AND H.R. 187, RELATING TO JUDICIAL REVIEW OF DEPORTATION

Mr. JOHNSTON. Mr. President, on behalf of the Subcommittee on Immigration and Naturalization of the Committee on the Judiciary, I wish to announce that public hearings have been scheduled for Thursday, July 20, 1961, at 10:30 a.m. in room 2228 of the New Senate Office Building on bills S. 2212 and H.R. 187, providing for the judicial review of deportation.

Anyone desiring to testify or submit a statement for the record should notify the office of the subcommittee, room 2306, New Senate Office Building, phone extension 2347, as soon as possible so that a schedule of witnesses may be prepared.

NOTICE OF HEARING ON S. 2242, TO AMEND SECTION 491 OF TITLE 18, UNITED STATES CODE, PROHIBITING CERTAIN ACTS INVOLVING THE USE OF TOKENS, SLUGS, DISKS, DEVICES, PAPERS, OR OTHER THINGS WHICH ARE SIMILAR IN SIZE AND SHAPE TO THE LAWFUL COINS OR OTHER CURRENCY OF THE UNITED STATES

Mr. LONG of Missouri. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, July 19, 1961, at 10:30 a.m., in room 2228 New Senate Office Building, on S. 2242, to amend section 491 of title 18, United States Code, prohibiting certain acts involving the use of tokens, slugs, disks, devices, papers, or other things which are similar in size and shape to the lawful coins or other currency of the United States.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas [Mr. MCCLELLAN], the Senator from North Carolina [Mr. ERVIN], the Senator from Nebraska [Mr. HRUSKA], the Senator from New Hampshire [Mr. COTTON], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DODD:

Address by him at annual conference of National Council of Juvenile Court Judges, at San Francisco, Calif., on June 30, 1961.

By Mr. COOPER:

Tribute to Emery L. Frazier, Chief Clerk of the U.S. Senate, published in KERR-ent Status, a release by Senator KERR, of Oklahoma.

By Mr. HRUSKA:

Letter to President of the United States, dated July 11, urging proclamation of the third week in July as "Captive Nations Week."

Telegram to Mr. Ruben Lippett, Henry Monsky Lodge, B'nai B'rith, in respect to presentation to Frank P. Fogarty of B'nai B'rith's Americanism citation, together with Mr. Fogarty's "Creed for American Business."

NATIONAL DEFENSE PREPARATIONS

Mr. ROBERTSON. Mr. President, I read with interest in today's newspapers a statement by our distinguished assistant majority leader, the Senator from Minnesota [Mr. HUMPHREY], that because of an acute food shortage, the Soviet Union is not ready for a war. No one, so far as I know, has assumed that the Soviet Union wants an all-out nuclear war—food shortage or no food shortage. As a matter of fact, the food shortage referred to by the distinguished Senator from Minnesota is primarily in China.

For fear that the American public may take the Humphrey report as an

indication that we may complacently assume that the alleged Berlin crisis is a "phony" crisis and that, therefore, we may proceed with business as usual and pleasure as usual, I wish to point out that from all the information I can get on the Berlin crisis, Premier Khrushchev intends to carry out his promise to create an independent state of East Germany and then force the NATO countries to deal with that new state with respect to access to West Berlin. Without any military help from the Soviet Union, East Germany has a larger ground army than that of the NATO allies. The NATO allies have taken the position that access to Berlin is granted by a four-nation treaty which cannot be repudiated by the Soviet Union acting independently; that they will refuse to negotiate with the Soviet dictators of East Germany concerning the exercise of those treaty rights; and that if East Germany establishes a roadblock to West Berlin, the NATO allies will force their way through.

In other words, the problem confronting us is whether the Soviet Union will prevent its new satellite state, East Germany, from starting war over access to West Berlin, assuming that we and our allies do not back down from our declared intention to fight such a war if it is forced on us.

As acting chairman of the Defense Subcommittee of the Senate Appropriations Committee, I have been deeply disturbed over our apparent lack of preparedness to fight a brush war with conventional weapons in Germany or anywhere else. Last Saturday, I brought that concern to the attention of the President; and he directed the Department of Defense to make an immediate review of our military posture. That review is still under way; and I understand that by the last of next week, the Department of Defense will notify the chairman of the Senate Appropriations Committee what additional sums the President would like to have included in the pending Department of Defense appropriations bill.

In the meantime, there have been news stories to the effect that the President is considering the advisability of declaring an emergency and calling to active duty the National Guard, and perhaps some members of the Reserve Forces. I am pleased to bring to the attention of my Senate colleagues the views on the wisdom of mobilizing National Guard and Reserve Divisions of one of Virginia's most brilliant military leaders, Maj. Gen. E. Walton Opie, retired. General Opie is publisher and editor of the Staunton News Leader, which carries as its leading editorial in its issue of today a recommendation of General Opie, entitled "Take Positive Action Now." I ask unanimous consent that the editorial be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAKE POSITIVE ACTION NOW

News that some National Guard and Reserve divisions may be mobilized may be followed at any moment by an announcement of impending orders by the President.

If the growing crisis over Berlin and East Germany is as serious as high authorities in Washington London, Paris, and Bonn appear to believe, let the President call up all Guard and Reserve divisions.

Mobilization of the National Guard in 1916, ostensibly because of raids across the Mexican border by the bandit forces of Pancho Villa but actually because the threat of U.S. involvement in World War I had become acute, proved to be an invaluable measure of preparation for entry into that conflict the following April.

Mobilization of the National Guard in 1940–41 was inspired by the clear and present danger that Axis aggression would involve us in World War II. By acting when they did, President F. D. Roosevelt and Congress afforded a period for expansion of Guard divisions to war strength and for hard training for combat when it came following the Pearl Harbor attack.

In both of the world conflicts, the Guard was the nucleus around which our great armies were formed.

Mobilization now would no doubt be intended primarily as a deterrent to Russian aggression incident to the Soviet plans for forcing the West out of Berlin and establishing East Germany as a full-fledged nation by an illegal separate peace treaty to force the West to deal with the stooge regime.

President Kennedy sought at his Vienna conference with Premier Khrushchev to warn him against miscalculation (Kaiser's Germany and Hitler's, for historic examples) which would lead him into overt action and war. A highly placed Government informant of the Staunton Leader points out that "we backed down in Laos, and when the time came to give air protection to the invasion of Cuba, we also backed down. So, Khrushchev seems to be betting that when it comes to fighting for West Berlin we again will back down. If we back down on defending West Berlin, we might as well back down all over the world and, therefore, it is very important for us to convince Khrushchev that we will fight, if necessary, to maintain our legal right to access to West Berlin with the hope that if we do so he will not permit East Germany to blockade our current means of access to West Berlin."

Calling up the Guard and Reserve divisions might be laughed at by Mr. Khrushchev, because he has heavily superior ground force within easy striking distance of NATO defenses in Europe and he knows that our reserve components are nowhere ready for combat. Nevertheless their presence on active duty would release divisions of Regulars for early dispatch to Europe, and with British, Belgian, French, and Canadian reinforcements, a strong holding force could be constituted.

Mr. Khrushchev may miscalculate in the face of our mobilization. He may miscalculate also in regard to our use of nuclear weapons for if NATO defenses were close to collapse we would have to resort to them or see Western Europe overrun by the Russian hordes.

These eventualities are horrible to contemplate. It is therefore the part of wisdom, both as a possible deterrent, a positive notification that we mean business, and a step toward preparation for a conflict the exact nature of which no one can say with certainty, the whole National Guard and the Ready Reserve divisions should be mobilized and made ready for combat.

The President and the Congress should act without delay, for the crisis is approaching its climax in early September. Only positive measures can place Khrushchev in the role of backdowner this time.

INTEGRATE NOW—NEGOTIATE LATER

Mr. JAVITS. Mr. President, it seems clear that we cannot rely on negotiating with the Soviet Union as the main effort now to ease the tensions of the cold war. Let us negotiate when the Russians want to do so with enough interest to have an agenda and adequate preliminary arrangements. Let us be wary of negotiating when the negotiations represent obvious delaying tactics, such as is now the case in regard to the nuclear test ban talks at Geneva, or propaganda exercises, such as the negotiations offered by Chairman Khrushchev on a German peace treaty.

It is for this reason that I urge our Government to reject Chairman Khrushchev's proposal, as made in his recent address to the military academy graduates in the Kremlin, for the convocation of a peace conference on Germany.

Such a peace conference under the Soviet threat to cut off Berlin from the West cannot be accepted under such auspices. We should, rather, adopt the resolution on Berlin which I introduced, making clear that the basis on which we are willing to begin to negotiate, in essence, is the 1959 allied plan, together with any Soviet counterproposals.

I urge also that if we do reject the Khrushchev proposals, the scene of conversations ought to be shifted to the United Nations. In this way the channel of communication can be kept open without many of the disadvantages of closed summit negotiations. The free world needs to look into its own problems and resources. It needs a rest from the tension of relying on negotiations to dispel the fear of war.

Instead let us make our main effort now to integrate the free world—economically, politically, militarily, and culturally—as the best action we can take now for world peace. Let us recognize that there are occasions when not to negotiate is also a technique of diplomacy. We can then return to the negotiations with much more promise.

To negotiate, by Webster's definition, means "to hold intercourse with a view to coming to terms." The past record of negotiations with the Soviet Union has demonstrated that to negotiate, by Communist definition, generally means with a view to coming to Communist terms; unless the Communists wish to agree as they did on Berlin after the airlift, on Trieste, on the Austrian peace treaty, and Korean truce.

Americans seem frustrated by this situation. They have grown tired of seeing the Communists use negotiations, as they have on Laos, as a delaying tactic or to lull us into inaction while they took over most of the country. We can gain nothing and lose much, from permitting the bargaining table to be used for a Communist game of charades. In short, negotiations with the Soviet Union cannot succeed so long as Chairman Khrushchev really does not want them to succeed.

The free world is beginning to look for a better coordination of its own means and resources in the cold war.

This is the meaning of the Norstad proposals to strengthen NATO; the desire in south and southeast Asia for U.S. firmness to stop the Communist advance there; the demand of 20 Latin American Republics for greater attention to their economic and social development and the refusal of so many new nations of Africa, south of the Sahara, to follow the U.S.S.R. and the Communist bloc; and the cool response to Chairman Khrushchev's terms for negotiations on Berlin, notwithstanding his rocket and missile rattling.

Almost imperceptibly the views of the American people are changing, too, causing our policy to pass from the generally unsuccessful reliance upon negotiations to the more realistic building up of the free world through the development of better international means for cooperation and integration of the free world's resources, both human and material.

Integration of the free world is the key right now. We must make it more effective and we must enlarge its scope, while respecting the nationhood and self-determination of each part. These are the principal elements of free world integration.

First. The expansion of two-way free world trade.

Second. The acceleration of international exchange activities in culture, science, education, sports, and production techniques.

Third. The acceleration of economic development effort in the emerging free world nations, which will break the bondage of poverty now holding over 1 billion people of the free world.

Fourth. The establishment of more open channels of top-level communication among free world allies so that we can move together on all political cold war issues.

Fifth. The mounting of a productivity drive within the United States which can form the rallying point for free world economic strength and the basis of free world military and political power.

Sixth. Making the U.N. and regional cooperative organizations more effective.

The West has for too long been on the defensive. The Communist successes in southeast Asia and Cuba have given Chairman Khrushchev far more confidence than is deserved—he mocked Great Britain and France recently and called the United States a "wornout runner." If Chairman Khrushchev really seeks to increase the personal living conditions of the Soviet and satellite peoples, he will have even less reason to be cocky, so great is now the gap with the poeple of the industrialized nations of the free world. The free world has the resources to dispel Khrushchev's cockiness and to halt the string of Soviet successes. But to do so we must proceed immediately—on a grand scale—to the better integration of the whole free world.

WHITTAKER CHAMBERS

Mr. DODD. Mr. President, I wish to pay tribute to the memory of a great American who passed away over the weekend.

His name was Whittaker Chambers. History, I am certain, will mark his name well.

Our country and the entire free world owe a far greater debt to Whittaker Chambers than is commonly realized.

There is perhaps a tendency to think of Chambers simply as the man who exposed Alger Hiss and whose testimony sent him to prison. But Whittaker Chambers was far more than this. He was, as he described himself, a "witness." He was a witness to evil and a witness to the truth.

He had embraced communism as an intellectual and as an idealist, because he sincerely believed that it pointed the way to a better life for mankind. Slowly, painfully, he came to realize the true nature of communism. His book "Witness" is hated by the Communists because it is, above all, a testament to their moral and ideological bankruptcy.

Before the advent of Whittaker Chambers, our society had lived in a political ivory tower. Stories about Communists in government were generally regarded as red herrings, and those who credited these stories were looked upon as black reactionaries or witch hunters.

As a result of Chambers' revelations and of the revelations made by other people, we now know that there was a serious Communist infiltration of Government departments at every level. Apart from the special case of Alger Hiss, this infiltration included the No. 2 man in the Treasury Department, Harry Dexter White; the head of the Latin American Division of the Department of State, Lawrence Dugan; the head of the International Monetary Fund, Frank Coe; the former head of the National Labor Relations Board, Nathan Witt; and many others of lesser rank.

We now understand, or we should understand, that Communist infiltration in Government is not a chimera or pipedream, but a deadly serious reality against which we must be constantly on guard.

It is a tragic commentary on our times that the sympathy of so many people was initially on the side of Alger Hiss, and against Whittaker Chambers. And even when the evidence had accumulated to the point where Alger Hiss could no longer be defended, there were many erstwhile defenders of Hiss who became more bitter, not less bitter, against Whittaker Chambers. It was almost as though they could never forgive him for proving Hiss guilty. They reviled him as a degenerate, as an informer, as a psychopath; they spread all sorts of base rumors about his private life. So effectively did they do their job that it became impossible for him to retain his position as a senior editor of Time magazine.

Though he was abused and vilified by the Communists and the crypto-Communists, by the fellow travelers and the demifellow travelers and the muddleheaded liberals, Chambers bore himself with unswerving dignity, and he gave his testimony without rancor or bitterness.

Whittaker Chambers is dead. But his name and his testament will endure so long as there is a free world and men who cherish freedom.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of Whittaker Chambers' letter to his children, with which he opened his book "Witness."

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

FOREWORD IN THE FORM OF A LETTER TO MY CHILDREN

Beloved children, I am sitting in the kitchen of the little house at Medfield, our second farm which is cut off by the ridge and a quarter-mile across the fields from our home place, where you are. I am writing a book. In it I am speaking to you. But I am also speaking to the world. To both I owe an accounting.

It is a terrible book. It is terrible in what it tells about men. If anything, it is more terrible in what it tells about the world in which you live. It is about what the world calls the Hiss-Chambers case, or even more simply, the Hiss case. It is about a spy case. All the props of an espionage case are there—foreign agents, household traitors, stolen documents, microfilm, furtive meetings, secret hideaways, phony names, an informer, investigations, trials, official justice.

But if the Hiss case were only this, it would not be worth my writing about or your reading about. It would be another fat folder in the sad files of the police, another crime drama in which the props would be mistaken for the play (as many people have consistently mistaken them). It would not be what alone gave it meaning, what the mass of men and women instinctively sensed it to be, often without quite knowing why. It would not be what, at the very beginning, I was moved to call it: a tragedy of history.

For it was more than human tragedy. Much more than Alger Hiss or Whittaker Chambers was on trial in the trials of Alger Hiss. Two faiths were on trial. Human societies, like human beings, live by faith and die when faith dies. At issue in the Hiss case was the question whether this sick society, which we call Western civilization, could in its extremity still cast up a man whose faith in it was so great that he would voluntarily abandon those things which men hold good, including life, to defend it. At issue was the question whether this man's faith could prevail against a man whose equal faith it was that this society is sick beyond saving, and that mercy itself pleads for its swift extinction and replacement by another. At issue was the question whether, in the desperately divided society, there still remained the will to recognize the issues in time to offset the immense rally of public power to distort and pervert the facts.

At heart, the great case was this critical conflict of faiths; that is why it was a great case. On a scale personal enough to be felt by all, but big enough to be symbolic, the two irreconcilable faiths of our time—communism and freedom—came to grips in the persons of two conscious and resolute men. Indeed, it would have been hard, in a world still only dimly aware of what the conflict is about, to find two other men who knew so clearly. Both had been schooled in the same view of history (the Marxist view). Both were trained by the same party in the same selfless, semisoldierly discipline. Neither would nor could yield without betraying, not himself, but his faith; and the different character of these faiths was shown by the different conduct of the two men toward each other throughout the struggle. For, with dark certitude, both knew, almost from the beginning, that the great case

could end only in the destruction of one or both of the contending figures, just as the history of our times (both men had been taught) can end only in the destruction of one or both of the contending forces.

But this destruction is not the tragedy. The nature of tragedy is itself misunderstood. Part of the world supposes that the tragedy in the Hiss case lies in the acts of disloyalty revealed. Part believes that the tragedy lies in the fact that an able, intelligent man, Alger Hiss, was cut short in the course of a brilliant public career. Some find it tragic that Whittaker Chambers, of his own will, gave up a $30,000-a-year job and a secure future to haunt for the rest of his days the ruins of his life. These are shocking facts, criminal facts, disturbing facts: they are not tragic.

Crime, violence, infamy are not tragedy. Tragedy occurs when a human soul awakes and seeks, in suffering and pain, to free itself from crime, violence, infamy, even at the cost of life. The struggle is the tragedy—not defeat or death. That is why the spectacle of tragedy has always filled men, not with despair, but with a sense of hope and exaltation. That is why this terrible book is also a book of hope. For it is about the struggle of the human soul—of more than one human soul. It is in this sense that the Hiss case is a tragedy. This is its meaning beyond the headlines, the revelations, the shame and suffering of the people involved. But this tragedy will have been for nothing unless men understand it rightly, and from it the world takes hope and heart to begin its own tragic struggle with the evil that besets it from within and from without, unless it faces the fact that the world, the whole world, is sick unto death and that, among other things, this case has turned a finger of fierce light into the suddenly opened and reeking body of our time.

My children, as long as you live, the shadow of the Hiss case will brush you. In every pair of eyes that rest on you, you will see pass, like a cloud passing behind a woods in winter, the memory of your father—dissembled in friendly eyes, lurking in unfriendly eyes. Sometimes you will wonder which is harder to bear: Friendly forgiveness or forthright hate. In time, therefore, when the sum of your experience of life gives you authority, you will ask yourselves the question: What was my father?

I will give you an answer: I was a witness. I do not mean a witness for the Government or against Alger Hiss and the others. Nor do I mean the short, squat, solitary figure, trudging through the impersonal halls of public buildings to testify before congressional committees, grand juries, loyalty boards, courts of law. A man is not primarily a witness against something. That is only incidental to the fact that he is a witness for something. A witness, in the sense that I am using the word, is a man whose life and faith are so completely one that when the challenge comes to step out and testify for his faith, he does so, disregarding all risks, accepting all consequences.

One day in the great jury room of the grand jury of the southern district of New York, a juror leaned forward slightly and asked me: "Mr. Chambers, what does it mean to be a Communist?" I hesitated for a moment, trying to find the simplest, most direct way to convey the heart of this complex experience to men and women to whom the very fact of the experience was all but incomprehensible. Then I said:

"When I was a Communist, I had three heroes. One was a Russian. One was a Pole. One was a German Jew.

"The Pole was Felix Djerjinsky. He was ascetic, highly sensitive, intelligent. He was a Communist. After the Russian Revolution, he became head of the Tcheka and organizer of the Red Terror. As a young man, Djerjinsky had been a political prisoner in the Paviak Prison in Warsaw. There he insisted on being given the task of cleaning the latrines of the other prisoners. For he held that the most developed member of any community must take upon himself the lowliest tasks as an example to those who are less developed. That is one thing that it meant to be a Communist.

"The German Jew was Eugen Leviné. He was a Communist. During the Bavarian Soviet Republic in 1919, Leviné was the organizer of the Workers and Soldiers Soviets. When the Bavarian Soviet Republic was crushed, Leviné was captured and court-martialed. The court-martial told him: 'You are under sentence of death.' Leviné answered: 'We Communists are always under sentence of death.' That is another thing that it meant to be a Communist.

"The Russian was not a Communist. He was a pre-Communist revolutionist named Kalyaev. (I should have said Sazonov.) He was arrested for a minor part in the assassination of the Tsarist prime minister, von Plehve. He was sent into Siberian exile to one of the worst prison camps, where the political prisoners were flogged. Kalyaev sought some way to protest this outrage to the world. The means were few, but at last he found a way. In protest against the flogging of other men, Kalyaev drenched himself in kerosene, set himself on fire and burned himself to death. That also is what it meant to be a Communist."

That also is what it means to be a witness.

But a man may also be an involuntary witness. I do not know any way to explain why God's grace touches a man who seems unworthy of it. But neither do I know any other way to explain how a man like myself—tarnished by life, unprepossessing, not brave—could prevail so far against the powers of the world arrayed almost solidly against him, to destroy him and defeat his truth. In this sense, I am an involuntary witness to God's grace and to the fortifying power of faith.

It was my fate to be in turn a witness to each of the two great faiths of our time. And so we come to the terrible word, "communism." My very dear children, nothing in all these pages will be written so much for you, though it is so unlike anything you would want to read. In nothing shall I be so much a witness, in no way am I so much called upon to fulfill my task, as in trying to make clear to you (and to the world) the true nature of communism and the source of its power, which was the cause of my ordeal as a man, and remains the historic ordeal of the world in the 20th century. For in this century, within the next decades, will be decided for generations whether all mankind is to become Communist, whether the whole world is to become free, or whether, in the struggle, civilization as we know it is to be completely destroyed or completely changed. It is our fate to live upon that turning point in history.

The world has reached that turning point by the steep stages of a crisis mounting for generations. The turning point is the next to the last step. It was reached in blood, sweat, tears, havoc, and death in World War II. The chief fruit of the First World War was the Russian Revolution and the rise of communism as a national power. The chief fruit of the Second World War was our arrival at the next to the last step of the crisis with the rise of communism as a world power. History is likely to say that these were the only decisive results of the World Wars.

The last war simplified the balance of political forces in the world by reducing them to two. For the first time, it made the power of the Communist sector of mankind (embodied in the Soviet Union) roughly equal to the power of the free sector of mankind (embodied in the United States). It made the collision of these powers all but inevitable. For the World Wars did not end the crisis. They raised its tensions to a new pitch. They raised the crisis to a new stage. All the politics of our time, including the politics of war, will be the politics of this crisis.

Few men are so dull that they do not know that the crisis exists and that it threatens their lives at every point. It is popular to call it a social crisis. It is in fact a total crisis—religious, moral, intellectual, social, political, economic. It is popular to call it a crisis of the Western World. It is in fact a crisis of the whole world. Communism, which claims to be a solution of the crisis, is itself a symptom and an irritant of the crisis.

In part, the crisis results from the impact of science and technology upon mankind which, neither socially nor morally, has caught up with the problems posed by that impact. In part, it is caused by men's efforts to solve those problems. World wars are the military expression of the crisis. World-wide depressions are its economic expression. Universal desperation is its spiritual climate. This is the climate of communism. Communism in our time can no more be considered apart from the crisis than a fever can be acted upon apart from an infected body.

I see in communism the focus of the concentrated evil of our time. You will ask: Why, then, do men become Communists? How did it happen that you, our gentle and loved father, were once a Communist? Were you simply stupid? No, I was not stupid. Were you morally depraved? No, I was not morally depraved. Indeed, educated men become Communists chiefly for moral reasons. Did you not know that the crimes and horrors of communism are inherent in communism? Yes, I knew that fact. Then why did you become a Communist? It would help more to ask: How did it happen that this movement, once a mere muttering of political outcasts, became this immense force that now contests the mastery of mankind? Even when all the chances and mistakes of history are allowed for, the answer must be: Communism makes some profound appeal to the human mind. You will not find out what it is by calling communism names. That will not help much to explain why communism whose horrors, on a scale unparalleled in history, are now public knowledge, still recruits its thousands and holds its millions—among them some of the best minds alive. Look at Klaus Fuchs, standing in the London dock, quiet, doomed, destroyed, and say whether it is possible to answer in that way the simple question: Why?

First, let me try to say what communism is not. It is not simply a vicious plot hatched by wicked men in a subcellar. It is not just the writings of Marx and Lenin, dialectical materialism, the Politburo, the labor theory of value, the theory of the general strike, the Red Army, secret police, labor camps, underground conspiracy, the dictatorship of the proletariat, the technique of the coup d'état. It is not even those chanting, bannered millions that stream periodically, like disorganized armies, through the heart of the world's capitals: Moscow, New York, Tokyo, Paris, Rome. These are expressions of communism, but they are not what communism is about.

In the Hiss trials, where communism was a haunting specter, but which did little or nothing to explain communism, Communists were assumed to be criminals, pariahs, clandestine men who lead double lives under false names, travel on false passports, deny traditional religion, morality, the sanctity of oaths, preach violence, and practice treason. These things are true about Communists, but they are not what communism is about.

The revolutionary heart of communism is not the theatrical appeal: "Workers of the world, unite. You have nothing to lose but your chains. You have a world to gain." It is a simple statement of Karl Marx, further simplified for handy use: "Philosophers have explained the world; it is necessary to change the world." Communists are bound together by no secret oath. The tie that binds them across the frontiers of nations, across barriers of language and differences of class and education, in defiance of religion, morality, truth, law, honor, the weaknesses of the body and the irresolutions of the mind, even unto death, is a simple conviction: It is necessary to change the world. Their power, whose nature baffles the rest of the world, because in a large measure the rest of the world has lost that power, is the power to hold convictions and to act on them. It is the same power that moves mountains; it is also an unfailing power to move men. Communists are that part of mankind which has recovered the power to live or die—to bear witness—for its faith. And it is a simple, rational faith that inspires men to live or die for it.

It is not new. It is, in fact, man's second oldest faith. Its promise was whispered in the first days of the creation under the tree of the knowledge of good and evil: "Ye shall be as gods." It is the great alternative faith of mankind. Like all great faiths, its force derives from a simple vision. Other ages have had great visions. They have always been different versions of the same vision: the vision of God and man's relationship to God. The Communist vision is the vision of man without God.

It is the vision of man's mind displacing God as the creative intelligence of the world. It is the vision of man's liberated mind, by the sole force of its rational intelligence, redirecting man's destiny and reorganizing man's life and the world. It is the vision of man, once more the central figure of the creation, not because God made man in His image, but because man's mind makes him the most intelligent of the animals. Copernicus and his successors displaced man as the central fact of the universe by proving that the earth was not the central star of the universe. Communism restores man to his sovereignty by the simple method of denying God.

The vision is a challenge and implies a threat. It challenges man to prove by his acts that he is the masterwork of the creation—by making thought and act one. It challenges him to prove it by using the force of his rational mind to end the bloody meaninglessness of man's history—by giving it purpose and a plan. It challenges him to prove it by reducing the meaningless chaos of nature, by imposing on it his rational will to order, abundance, security, peace. It is the vision of materialism. But it threatens, if man's mind is unequal to the problems of man's progress, that he will sink back into savagery (the A- and H-bombs have raised the issue in explosive forms), until nature replaces him with a more intelligent form of life.

It is an intensely practical vision. The tools to turn it into reality are at hand—science and technology, whose traditional method, the rigorous exclusion of all supernatural factors in solving problems, has contributed to the intellectual climate in which the vision flourishes, just as they have contributed to the crisis in which communism thrives. For the vision is shared by millions who are not Communists (they are part of communism's secret strength). Its first commandment is found, not in the Communist manifesto, but in the first sentence of the physics primer: "All of the progress of mankind to date results from the making of careful measurements." But communism, for the first time in history, has made this vision the faith of a great modern political movement.

Hence the Communist Party is quite justified in calling itself the most revolutionary party in history. It has posed in practical form the most revolutionary question in history: God or Man? It has taken the logical next step which 300 years of rationalism hesitated to take, and said what millions of modern minds think, but do not dare or care to say: If man's mind is the decisive force in the world, what need is there for God? Henceforth man's mind is man's fate.

This vision is the Communist revolution, which, like all great revolutions, occurs in man's mind before it takes form in man's acts. Insurrection and conspiracy are merely methods of realizing the vision; they are merely part of the politics of communism. Without its vision, they, like communism, would have no meaning and could not rally a parcel of pickpockets. Communism does not summon men to crime or to utopia, as its easy critics like to think. On the plane of faith, it summons mankind to turn its vision into practical reality. On the plane of action, it summons men to struggle against the inertia of the past which, embodied in social, political and economic forms, communism claims, is blocking the will of mankind to make its next great forward stride. It summons men to overcome the crisis, which, communism claims, is in effect a crisis of rending frustration, with the world, unable to stand still, but unwilling to go forward along the road that the logic of a technological civilization points out—communism.

This is communism's moral sanction, which is twofold. Its vision points the way to the future; its faith labors to turn the future into present reality. It says to every man who joins it: the vision is a practical problem of history; the way to achieve it is a practical problem of politics, which is the present tense of history. Have you the moral strength to take upon yourself the crimes of history so that man at last may close his chronicle of age-old, senseless suffering, and replace it with purpose and a plan? The answer a man makes to this question is the difference between the Communists and those miscellaneous Socialists, liberals, fellow travelers, unclassified progressives, and men of good will, all of whom share a similar vision, but do not share the faith because they will not take upon themselves the penalties of the faith. The answer is the root of that sense of moral superiority which makes Communists, though caught in crime, berate their opponents with withering self-righteousness.

The Communist vision has a mighty agitator and a mighty propagandist. They are the crisis. The agitator needs no soapbox. It speaks insistently to the human mind at the point where desperation lurks. The propagandist writes no Communist gibberish. It speaks insistently to the human mind at the point where man's hope and man's energy fuse to fierceness.

The vision inspires. The crisis impels. The workingman is chiefly moved by the crisis. The educated man is chiefly moved by the vision. The workingman, living upon a mean margin of life, can afford few visions—even practical visions. An educated man, peering from the Harvard Yard, or any college campus, upon a world in chaos, finds in the vision the two certainties for which the mind of man tirelessly seeks: a reason to live and a reason to die. No other faith of our time presents them with the same practical intensity. That is why communism is the central experience of the first half of the 20th century, and may be its final experience—will be, unless the free world, in the agony of its struggle with communism, overcomes its crisis by discovering, in suffering and pain, a power of faith which will provide man's mind, at the same intensity, with the same two certainties: a reason to live and a reason to die. If it fails, this will be the century of the great social wars. If it succeeds, this will be the century of the great wars of faith.

You will ask: Why, then, do men cease to be Communists? One answer is: Very few do. Thirty years after the Russian Revolution, after the known atrocities, the purges, the revelations, the jolting zigzags of Communist politics, there is only a handful of ex-Communists in the whole world. By ex-Communists I do not mean those who break with communism over differences of strategy and tactics (like Trotsky) or organization (like Tito). Those are merely quarrels over a roadmap by people all of whom are in a hurry to get to the same place.

Nor, by ex-Communists, do I mean those thousands who continually drift into the Communist Party and out again. The turnover is vast. These are the spiritual vagrants of our time whose traditional faith has been leached out in the bland climate of rationalism. They are looking for an intellectual night's lodging. They lack the character for Communist faith because they lack the character for any faith. So they drop away, though communism keeps its hold on them.

By an ex-Communist, I mean a man who knew clearly why he became a Communist, who served communism devotedly and knew why he served it, who broke with communism unconditionally and knew why he broke with it. Of these there are very few—an index to the power of the vision and the power of the crisis.

History very largely fixes the patterns of force that make men Communists. Hence one Communist conversion sounds much like another—rather impersonal and repetitious, awesome and tiresome, like long lines of similar people all stolidly waiting to get in to see the same movie. A man's break with communism is intensely personal. Hence the account of no two breaks is likely to be the same. The reasons that made one Communist break may seem without force to another ex-Communist.

It is a fact that a man can join the Communist Party, can be very active in it for years, without completely understanding the nature of communism or the political methods that follow inevitably from its vision. One day such incomplete Communists discover that the Communist Party is not what they thought it was. They break with it and turn on it with the rage of an honest dupe, a dupe who has given a part of his life to a swindle. Often they forget that it takes two to make a swindle.

Others remain Communists for years, warmed by the light of its vision, firmly closing their eyes to the crimes and horrors inseparable from its practical politics. One day they have to face the facts. They are appalled at what they have abetted. They spend the rest of their days trying to explain, usually without great success, the dark clue to their complicity. As their understanding of communism was incomplete and led them to a dead end, their understanding of breaking with it is incomplete and leads them to a dead end. It leads to less than communism, which was a vision and a faith. The world outside communism, the world in crisis, lacks a vision and a faith. There is before these ex-Communists absolutely nothing. Behind them is a threat. For they have, in fact, broken not with the vision, but with the politics of the vision. In the name of reason and intelligence, the vision keeps them firmly in its grip—self-divided, paralyzed, powerless to act against it.

Hence the most secret fold of their minds is haunted by a terrifying thought: What if we were wrong? What if our inconstancy is our guilt? That is the fate of those who break without knowing clearly that communism is wrong because something else is right, because to the challenge, God or man? they continue to give the answer, man. Their pathos is that not even the Communist ordeal could teach them that man

without God is just what communism said he was: the most intelligent of the animals, that man without God is a beast, never more beastly than when he is most intelligent about his beastliness. "Er nennt's Vernunft," says the Devil in Goethe's Faust, "und braucht's allein, nur tierischer als jedes Tier zu sein"—Man calls it reason and uses it simply to be more beastly than any beast. Not grasping the source of the evil they sincerely hate, such ex-Communists in general make ineffectual witnesses against it. They are witnesses against something; they have ceased to be witnesses for anything.

Yet there is one experience which most sincere ex-Communists share, whether or not they go only part way to the end of the question it poses. The daughter of a former German diplomat in Moscow was trying to explain to me why her father, who, as an enlightened modern man, had been extremely pro-Communist, had become an implacable anti-Communist. It was hard for her because, as an enlightened modern girl, she shared the Communist vision without being a Communist. But she loved her father and the irrationality of his defection embarrassed her. "He was immensely pro-Soviet," she said, "and then—you will laugh at me—but you must not laugh at my father—and then—one night—in Moscow—he heard screams. That's all. Simply one night he heard screams."

A child of reason and the 20th century, she knew that there is a logic of the mind. She did not know that the soul has a logic that may be more compelling than the mind's. She did not know at all that she had swept away the logic of the mind, the logic of history, the logic of politics, the myth of the 20th century, with five annihilating words: one night he heard screams.

What Communist has not heard those screams? They come from husbands torn forever from their wives in midnight arrests. They come, muffled, from the execution cellars of the secret police, from the torture chambers of the Lubianka, from all the citadels of terror now stretching from Berlin to Canton. They come from those freight cars loaded with men, women and children, the enemies of the Communist State, locked in, packed in, left on remote sidings to freeze to death at night in the Russian winter. They come from minds driven mad by the horrors of mass starvation ordered and enforced as a policy of the Communist State. They come from the starved skeletons, worked to death, or flogged to death (as an example to others) in the freezing filth of subarctic labor camps. They come from children whose parents are suddenly, inexplicably, taken away from them—parents they will never see again.

What Communist has not heard those screams? Execution, says the Communist code, is the highest measure of social protection. What man can call himself a Communist who has not accepted the fact that terror is an instrument of policy, right if the vision is right, justified by history, enjoined by the balance of forces in the social wars of this century? Those screams have reached every Communist's mind. Usually they stop there. What judge willingly dwells upon the man the laws compel him to condemn to death—the laws of nations or the laws of history?

But one day the Communist really hears those screams. He is going about his routine party tasks. He is lifting a dripping reel of microfilm from a developing tank. He is justifying to a Communist fraction in a trade union an extremely unwelcome directive of the central committee. He is receiving from a trusted superior an order to go to another country and, in a designated hotel, at a designated hour, meet a man whose name he will never know, but who will give him a package whose contents he will never learn. Suddenly, there closes around that Communist a separating silence, and in that silence he hears screams. He hears them for the first time. For they do not merely reach his mind. They pierce beyond. They pierce to his soul. He says to himself: "Those are not the screams of man in agony. Those are the screams of a soul in agony." He hears them for the first time because a soul in extremity has communicated with that which alone can hear it—another human soul.

Why does the Communist ever hear them? Because in the end there persists in every man, however he may deny it, a scrap of soul. The Communist who suffers this singular experience then says to himself: "What is happening to me? I must be sick." If he does not instantly stifle that scrap of soul, he is lost. If he admits it for a moment, he has admitted that there is something greater than reason, greater than the logic of mind, of politics, of history, of economics, which alone justifies the vision. If the party senses his weakness, and the party is peculiarly cunning at sensing such weakness, it will humiliate him, degrade him, condemn him, expel him. If it can it will destroy him. And the party will be right. For he has betrayed that which alone justifies its faith—the vision of almighty man. He has brushed the only vision that has force against the vision of almightly mind. He stands before the fact of God.

The Communist Party is familiar with this experience to which its members are sometimes liable in prison, in illness, in indecision. It is recognized frankly as a sickness. There are ways of treating it—if it is confessed. It is when it is not confessed that the party, sensing a subtle crisis, turns upon it savagely. What ex-Communist has not suffered this experience in one form or another, to one degree or another? What he does about it depends on the individual man. That is why no ex-Communist dare answer for his sad fraternity the question: Why do men break with communism? He can only answer the question: How did you break with communism? My answer is: Slowly, reluctantly, in agony.

Yet my break began long before I heard those screams. Perhaps it does for everyone. I do not know how far back it began. Avalanches gather force and crash, unheard, in men as in the mountains. But I date my break from a very casual happening. I was sitting in our apartment on St. Paul Street in Baltimore. It was shortly before we moved to Alger Hiss' apartment in Washington. My daughter was in her high chair. I was watching her eat. She was the most miraculous thing that had ever happened in my life. I liked to watch her even when she smeared porridge on her face or dropped it meditatively on the floor. My eye came to rest on the delicate convolutions of her ear—those intricate, perfect ears. The thought passed through my mind: "No, those ears were not created by any chance coming together of atoms in nature (the Communist view). They could have been created only by immense design." The thought was involuntary and unwanted. I crowded it out of my mind. But I never wholly forgot it or the occasion. I had to crowd it out of my mind. If I had completed it, I should have had to say: Design presupposes God. I did not then know that, at that moment, the finger of God was first laid upon my forehead.

One thing most ex-Communists could agree upon: They broke because they wanted to be free. They do not all mean the same thing by "free." Freedom is a need of the soul, and nothing else. It is in striving toward God that the soul strives continually after a condition of freedom. God alone is the inciter and guarantor of freedom. He is the only guarantor. External freedom is only an aspect of interior freedom. Political freedom, as the Western World has known it, is only a political reading of the Bible. Religion and freedom are indivisible. Without freedom the soul dies. Without the soul there is no justification for freedom. Necessity is the only ultimate justification known to the mind. Hence every sincere break with communism is a religious experience, though the Communist fails to identify its true nature, though he fails to go to the end of the experience. His break is the political expression of the perpetual need of the soul whose first faint stirring he has felt within him, years, months, or days before he breaks. A Communist breaks because he must choose at last between irreconcilable opposites—God or man, soul or mind, freedom or communism.

Communism is what happens when, in the name of mind, men free themselves from God. But its view of God, its knowledge of God, its experience of God, is what alone gives character to a society or a nation, and meaning to its destiny. Its culture, the voice of this character, is merely that view, knowledge, experience, of God, fixed by its most intense spirits in terms intelligible to the mass of men. There has never been a society or a nation without God. But history is cluttered with the wreckage of nations that became indifferent to God, and died.

The crisis of communism exists to the degree in which it has failed to free the peoples that it rules from God. Nobody knows this better than the Communist Party of the Soviet Union. The crisis of the Western World exists to the degree in which it is indifferent to God. It exists to the degree in which the Western World actually shares communism's materialist vision, is so dazzled by the logic of the materialist interpretation of history, politics, and economics, that it fails to grasp that, for it, the only possible answer to the Communist challenge: Faith in God or faith in man? is the challenge: Faith in God.

Economics is not the central problem of this century. It is a relative problem which can be solved in relative ways. Faith is the central problem of this age. The Western World does not know it, but it already possesses the answer to this problem—but only provided that its faith in God and the freedom He enjoins is as great as communism's faith in man.

My dear children, before I close this foreword, I want to recall to you briefly the life that we led in the 10 years between the time when I broke with communism and the time when I began to testify—the things we did, worked for, loved, believed in. For it was that happy life, which, on the human side, in part made it possible for me to do later on the things I had to do, or endure the things that happened to me.

Those were the days of the happy little worries, which then seemed so big. We know now that they were the golden days. They will not come again. In those days, our greatest worry was how to meet the payments on the mortgage, how to get the ploughing done in time, how to get health accreditation for our herd, how to get the hay in before the rain. I sometimes took my vacation in hay harvest so that I could help work the load. You two little children used to trample the load, drive the hay truck in the fields when you could barely reach the foot pedals, or drive the tractor that pulled up the loaded harpoons to the mow. At evening, you would break off to help Mother milk while I went on haying. For we came of age on the farm when we decided not to hire barn help, but to run the herd ourselves as a family.

Often the ovenlike heat in the comb of the barn and the sweet smell of alfalfa made us sick. Sometimes we fell asleep at the supper table from fatigue. But the hard work was good for us; and you knew only the peace of a home governed by a father

and mother whose marriage the years (and an earlier suffering which you could not remember) had deepened into the perfect love that enveloped you.

Mother was a slight, overalled figure forever working for you in the house or beside you in the barns and gardens. Papa was a squat, overalled figure, fat but forceful, who taught John, at nine, the man-size glory of driving the tractor; or sat beside Ellen, at the wheel of the truck, an embodiment of security and power, as we drove loads of cattle through the night. On summer Sundays, you sat between Papa and Mama in the Quaker meeting house. Through the open doors, as you tried not to twist and turn in the long silence, you could see the far, blue Maryland hills and hear the redbirds and ground robins in the graveyard behind.

Only Ellen had a vague, troubled recollection of another time and another image of Papa. Then (it was during the years 1938 and 1939), if for any reason she pattered down the hall at night, she would find Papa, with the light on, writing, with a revolver on the table or a gun against the chair. She knew that there were people who wanted to kill Papa and who might try to kidnap her. But a wide sea of sunlight and of time lay between that puzzling recollection and the farm.

The farm was your kingdom, and the world lay far beyond the protecting walls thrown up by work and love. It is true that comic strips were not encouraged, comic books were banned, the radio could be turned on only by permission which was seldom given (or asked), and you saw few movies. But you grew in the presence of eternal wonders. There was the birth of lambs and calves. You remember how once, when I was away and the veterinarian could not come, you saw Mother reach in and turn the calf inside the cow so that it could be born. There was also the death of animals, sometimes violent, sometimes slow and painful—nothing is more constant on a farm than death.

Sometimes, of a spring evening, Papa would hear that distant honking that always makes his scalp tingle, and we would all rush out to see the wild geese, in lines of hundreds, steer up from the southwest, turn over the barn as over a landmark, and head into the north. Or on autumn nights of sudden cold that set the ewes breeding in the orchard, Papa would call you out of the house to stand with him in the now celebrated pumpkin patch and watch the northern lights flicker in electric clouds on the horizon, mount, die down, fade and mount again till they filled the whole northern sky with ghostly light in motion.

Thus, as children, you experienced two of the most important things men ever know—the wonder of life and the wonder of the universe, the wonder of life within the wonder of the universe. More important, you knew them not from books, not from lectures, but simply from living among them. Most important, you knew them with reverence and awe—that reverence and awe that has died out of the modern world and has been replaced by man's monkeylike amazement at the cleverness of his own inventive brain.

I have watched greatness touch you in another way. I have seen you sit, uninvited and unforced, listening in complete silence to the third movement of the Ninth Symphony. I thought you understood, as much as children can, when I told you that that music was the moment at which Beethoven finally passed beyond the suffering of his life on earth and reached for the hand of God, as God reaches for the hand of Adam in Michelangelo's vision of the creation.

And once, in place of a bedtime story, I was reading Shakespeare to John—at his own request, for I never forced such things on you. I came to that passage in which Macbeth, having murdered Duncan, realizes what he has done to his own soul, and asks if all the water in the world can ever wash the blood from his hand, or will it not rather "the multitudinous seas incarnadine?" At that line, John's whole body twitched. I gave great silent thanks to God. For I knew that if, as children, you could thus feel in your souls the reverence and awe for life and the world, which is the ultimate meaning of Beethoven and Shakespeare, as man and woman you could never be satisfied with less. I felt a great faith that sooner or later you would understand what I once told you, not because I expected you to understand it then, but because I hoped that you would remember it later: "True wisdom comes from the overcoming of suffering and sin. All true wisdom is therefore touched with sadness."

If all this sounds unduly solemn, you know that our lives were not; that all of us suffer from an incurable itch to puncture false solemnity. In our daily lives, we were funloving and gay. For those who have solemnity in their souls generally have enough of it there, and do not need to force it into their faces.

Then, on August 3, 1948, you learned for the first time that your father had once been a Communist, that he had worked in something called "the underground," that it was shameful, and that for some reason he was in Washington telling the world about it. While he was in the underground, he testified, he had worked with a number of other Communists. One of them was a man with the odd name of Alger Hiss. Later, Alger Hiss denied the allegation. Thus the great case began, and with it our lives were changed forever.

Dear children, one autumn twilight, when you were much smaller, I slipped away from you in play and stood for a moment alone in the apple orchard near the barn. Then I heard your two voices, piping together anxiously, calling to me: "Papa, Papa," from the harvested cornfield. In the years when I was away 5 days a week in New York, working to pay for the farm, I used to think of you both before I fell asleep at night. And that is how you almost always came to me—voices of beloved children, calling to me from the gathered fields at dusk.

You called to me once again at night in the same orchard. That was a good many years later. A shadow deeper and more chilling than the autumn evening had closed upon us—I mean the Hiss case. It was the first year of the case. We had been doing the evening milking together. For us, one of the few happy results of the case was that at last I could be home with you most of the time (in life these good things usually come too little or too late). I was washing and disinfecting the cows, and putting on and taking off the milkers. You were stripping after me.

In the quiet, there suddenly swept over my mind a clear realization of our true position—obscure, all but friendless people (some of my great friends had already taken refuge in aloofness; the others I had withdrawn from so as not to involve them in my affairs). Against me was an almost solid lineup of the most powerful groups and men in the country, the bitterly hostile reaction of much of the press, the smiling skepticism of much of the public, the venomous calumnies of the Hiss forces, the all but universal failure to understand the real meaning of the case or my real purpose. A sense of the enormous futility of my effort, and my own inadequacy, drowned me. I felt a physical cold creep through me, settle around my heart and freeze any pulse of hope. The sight of you children, guiltless and defenseless, was more than I could bear. I was alone against the world; my longing was to be left completely alone, or not to be at all. It was that death of the will which communism, with great cunning, always tries to induce in its victims.

I waited until the last cow was stripped and the last can lifted into the cooler. Then I stole into the upper barn and out into the apple orchard. It was a very dark night. The stars were large and cold. This cold was one with the coldness in myself. The lights of the barn, the house and the neighbors' houses were warm in the windows and on the ground; they were not for me. Then I heard Ellen call me in the barn and John called: "Papa!" Still calling, Ellen went down to the house to see if I were there. I heard John opening gates as he went to the calf barn, and he called me there. With all the longing of my love for you, I wanted to answer. But if I answered, I must come back to the living world. I could not do that.

John began to call me in the cow stable, in the milkhouse. He went into the dark side of the barn (I heard him slide the door back), into the upper barn, where at night he used to be afraid. He stepped outside in the dark, calling: "Papa, Papa"—then, frantically, on the verge of tears: "Papa." I walked over to him. I felt that I was making the most terrible surrender I should have to make on earth. "Papa," he cried and threw his arms around me, "don't ever go away." "No," I said, "no, I won't ever go away." Both of us knew that the words "go away" stood for something else, and that I had given him my promise not to kill myself. Later on, as you will see, I was tempted, in my wretchedness, to break that promise.

My children, when you were little, we used sometimes to go for walks in our pine woods. In the open fields, you would run along by yourselves. But you used instinctively to give me your hands as we entered those woods, where it was darker, lonelier, and in the stillness our voices sounded loud and frightening. In this book I am again giving you my hands. I am leading you, not through cool pine woods, but up and up a narrow defile between bare and steep rocks from which in shadow things uncoil and slither away. It will be dark. But, in the end, if I have led you aright, you will make out three crosses, from two of which hang thieves. I will have brought you to Golgotha—the place of skulls. This is the meaning of the journey. Before you understand, I may not be there, my hands may have slipped from yours. It will not matter, for when you understand what you see, you will no longer be children. You will know that life is pain, that each of us hangs always upon the cross of himself. And when you know that this is true of every man, woman and child on earth, you will be wise.

YOUR FATHER.

NUCLEAR TEST BAN MORATORIUM

Mr. DODD. Mr. President, within recent months, according to the latest Gallup poll, there has been a very dramatic shift of opinion on the continuation of the nuclear test ban moratorium. Indeed, I can recall few shifts of opinion so dramatic or so rapid.

In December 1959, the Gallup poll found that 77 percent of the public favored continuing the moratorium, which was then approximately 1 year old.

In samplings taken at the end of June of this year, the Gallup poll found that 55 percent of the public thinks the United States should resume tests, while only 26 percent remain opposed. I was particularly impressed by the fact that among college graduates the percentage

favoring the resumption of testing was even higher than for the general public: 59 percent.

It is my belief, Mr. President, that this poll has again demonstrated the basic good sense of the American public and its ability to reevaluate positions in the light of new evidence. The American people now seem to understand that the Soviets have been using the Geneva negotiations for their own purpose and that we are jeopardizing our own security by continuing a moratorium which the Kremlin has in all probability never observed.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the recent report by George Gallup, director of the American Institute of Public Opinion, as printed in the New York Herald Tribune for July 12, 1961.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

POLL FINDS DISTRUST OF REDS: PUBLIC SHIFTS—MAJORITY NOW FOR TEST-BAN END

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N.J., July 11.—A majority of the American public now thinks the United States should resume nuclear bomb tests.

This marks a reversal of opinion from December 1959, when the Gallup poll found an overwhelming majority (77 percent) of the public favoring a continuance of the then year-old agreement between the United States and Russia to ban nuclear bomb tests.

Today, with the moratorium on tests almost 3 years old, 55 percent of the public thinks the United States should resume tests, while 26 are opposed.

With the debate going on in official circles over the pros and cons of resuming tests, Gallup poll reporters put the following question to a carefully selected cross section of the American public:

"Since November 1858, the United States and Russia have been trying to reach a permanent agreement on the control and inspection of nuclear bomb tests. During this period each country voluntarily agreed not to conduct any tests, but no permanent agreement has been reached. Do you think the United States should resume tests at this time, or not?"

Here are the results:

United States resume testing?

	Percent
Should	55
Should not	26
No opinion	19

Among those who have had some college training, opinion is 59 percent to 33 percent in favor of the resumption of tests, as the following table shows:

United States resume tests?

	Should	*Should not*	*No opinion*
College	59	33	8
High school	56	27	17
Grammar, none	50	23	27

Men are somewhat more in favor of resuming tests than are women.

Attitudes on this issue cut across party lines, with little difference being noted between the views of Republicans, Democrats, and Independents.

The survey finds that opinion on the question divides largely on the basis of whether or not a person believes that Russia is living up to its part of the agreement.

Again and again the belief is expressed that Russia is secretly testing nuclear bombs and that the United States must, therefore, resume tests so that Russia will not get into a position of greater power than the United States.

A 63-year-old nurse's aid from Osage, Iowa, put it this way:

"I don't know why we should sit back and wait for them—they're probably going ahead with testing."

The same distrust of Russia's activities underlies the reasons of others who would like to see the ban lifted. They make the point that the United States must be prepared in case of an attack and that a resumption of tests vital to our survival.

Typical comments:

"We should test so that we won't be caught short. If we keep right on working, we will have the same as they have," said a 42-year-old diesetter in Romulus, Mich.

A 47-year-old clergyman in Allentown, Pa., reasoned this way: "It's a matter of survival. Russia possibly has been testing secretly."

Some who want a resumption of tests point out that they are necessary if we are to develop new knowledge concerning nuclear weapons.

Underlying the opinion of those who think the United States should not resume testing is the belief that Russia is so far living up to their part of the agreement.

Many in this group think that the United States should stick to the agreement and that we should not break the treaty unless Russia starts testing.

"We should be as good as our word," is the view of a 71-year-old judge from Alamo, Tenn.

"An agreement is an agreement unless we have proof Russia is testing," said a 65-year-old dairy farmer in Vermont.

Others urge that we should geep negotiations going if possible and keep working for a permanent agreement.

Some of those opposed to the resumption of nuclear bomb tests do so on the ground of health and point to the dangers of radioactivity:

"There is a lot of sickness coming through those things," said a 69-year-old candymaker in Portland, Maine. "They should be stopped—they are upsetting the world."

SENATOR AIKEN DESCRIBES RURAL AMERICA'S DEBT TO THE LATE SENATOR NORRIS

Mr. PROXMIRE. Mr. President, this week we celebrate the 100th anniversary of the birth of the late Senator George W. Norris. Senator Norris is remembered as the valiant champion of rural electrification. It was he who led the long struggle to free rural America from the bondage of darkness, by bringing to the people of our farm areas the great benefits of electricity which we now take for granted.

George Norris was a great Senator, one of the greatest. Besides the REA, he championed many other measures to improve the conditions of life of that greatest of majorities, the American common man. The battle for the Tennessee Valley Authority and the fight against private power and oil interests are two other crusades for which he is remembered.

And beyond his enormous legislative achievements, George Norris was a great human being. He was a man of moral stature, and to know him was an enrichment and a source of personal improvement. The late President Franklin D. Roosevelt, in a profoundly moving speech at McCook, Nebr., Norris' birthplace, during the 1932 presidential campaign, said of him:

He stands forth as the very perfect, gentle knight of American progressive ideals.

This was said when Norris still had 12 years to live, but it remains today as a singularly appropriate epitaph for this great American.

Mr. President, our distinguished colleague, the senior Senator from Vermont, Senator AIKEN, has recently written an article on "The Debt Rural America Owes George Norris," which was published in the July 1961 issue of the Wisconsin REA News.

The Senator from Vermont [Mr. AIKEN] is thoroughly familiar with the benefits which rural electrification has brought to our Nation. His sage and witty wisdom has served us well on the Agriculture Committee, of which he was formerly chairman. He knows whereof he speaks when he salutes the late Senator Norris.

It gives me great pleasure, therefore, to ask unanimous consent that Senator AIKEN's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEBT RURAL AMERICA OWES GEORGE NORRIS

(By Senator GEORGE D. AIKEN, of Vermont)

(The late, great Senator from Nebraska, whose 100th anniversary the Nation observes July 11, made it possible for farmers and rural people to enjoy the blessings and benefits of modern, electrical living.)

Nearly all of the farm and rural people of America today enjoy the blessings, and benefits of modern electrical living, thanks in large measure to the valiant and persistent struggle that the late, great Senator George W. Norris waged to pass the Rural Electrification Act a quarter of a century ago.

Senator Norris' championing of the REA Act, of which he was both author and cosponsor, freed rural America from the "Dark Ages." This monumental contribution to the welfare of rural people will always be a living memorial to this fearless statesman from Nebraska whose 100th birthday the Nation commemorates July 11.

But REA is only one of an impressive list of accomplishments emblazoned on Norris' long record of public service which included 40 years in the U.S. Congress.

Another of his notable achievements was the courageous fight he led to establish the Tennessee Valley Authority. In my opinion, TVA and REA have done more to raise the standard of living of rural people and to give hope to millions of farm families than anything else in the history of our Nation.

Although George Norris championed the cause of people generally, he was particularly concerned with the welfare of rural people. This deep concern for farm folks was indelibly imprinted on his character during the formative years of his life.

Left fatherless at the age of 4 and having lost his only brother, who could have become the family mainstay, one can readily understand why young George bitterly resented the fact that his mother was required to work incessantly—indoors and out—to raise her large family.

Impressions fixed on one's character between the ages of 4 and 14 can never be erased, and the hardship years which Norris spent on his mother's Ohio farm undoubtedly molded into his character the dedication to the cause of alleviating the hardship and

drudgery of the people of this Nation who had to till the soil for a living.

His determination to help rural people, coupled with his indomitable courage, led to the establishment of TVA and REA, in spite of opposition that would have seemed insurmountable to any one of lesser fortitude.

Largely as a result of the REA victory, American agriculture has become the envy of the world and it is our country's most potent weapon in the defense of democratic government.

Were it not for the fact that TVA and REA tower above his other accomplishments as a legislator, he would still command an impressive position in history by virtue of his successful efforts in the cause of the workingman and the efficient functioning of the legislative branch of the Federal Government.

To this day, vested economic interests and unscrupulous political powers detest the name of George Norris and this fact in itself creates another monument to his name.

When we celebrate the 100th anniversary of a great man, it is not sufficient merely to note his achievements. Such a commemoration would hardly constitute a tribute worthy of his noble name, for George Norris carried on a work which he did not begin and which he did not finish. It will never be finished.

The degree to which we honor his name will be determined by the manner in which we carry on the work he left unfinished. For instance, millions of citizens of this Nation are still waiting for the benefits of natural resources development, which the people in the TVA and other areas have enjoyed for many years.

The United States needs strong leadership today to carry on the battle to develop our natural resources for the benefit of all, and not just for the profit of a few.

The memory of George Norris should serve to remind us that the challenge today is as urgent as it was in his day.

The continuing trend toward concentration of people, industry, and political power in a relatively few mammoth industrial and urban areas must be stemmed if we are to maintain maximum economic, social, and security levels in this country.

The rural areas must be preserved and revitalized if we expect our Nation to remain strong. George Norris recognized this to be a fact. This is one reason why he exerted such heroic efforts to establish the TVA and REA programs.

If he were alive today, he would be in the forefront of the crusade to reverse the declining economy of rural America. It now falls to our lot to continue the work he so valiantly carried on. Great areas of the country are still awaiting the full development of their land, water, and other resources. When this is done, large sections will become available for increased agricultural and industrial development and these areas will furnish thousands of people with a far more rewarding and satisfying way of life than they have ever before experienced.

Development of our resources in those areas will provide a background and an environment of forests, lakes, rivers, farms, villages, churches, modern schoolhouses, and electrically equipped homes. This is the type of environment that George Norris fought for—healthy places where men and women could live and work in decent surroundings.

And, in keeping faith with the Norris legacy, we must see to it that the people of our Nation have the vast amounts of electricity they will need, and at the lowest rates possible.

It requires no sixth sense or crystal ball to realize that the electric industry, and particularly cooperative rural electrification, are on the threshold of a period of skyrocketing demands for their product. During the first 25 years of rural co-op electrification, the use of power on the farms has doubled about every 5 years.

To meet the rapidly growing needs of consumers of rural electric systems presents a challenge of tremendous proportions. For instance, it is estimated that within the next 10 years the demand by all power users will increase 1 trillion kilowatt-hours, requiring about 85 percent more generating capacity than we have today.

To provide this colossal increase in electrical production will require all the resources of public, cooperative, and commercial power interests combined. It will necessitate the construction of generating plants of from 300,000 to a million kilowatts' capacity.

More efficient generating plants will have to be built, and we shall have to rely more and more on power produced from atomic energy. In addition, we must harness the remaining sources of hydroelectric power.

To distribute the huge amounts of electricity that will be used in the future, a nationwide system of transmission lines will be necesary with both private, public, and co-op utilities pooling their supplies and drawing from these common-carrier, high-voltage lines to serve the needs of their consumers.

The trend to giant generating and transmission facilities has already begun. It cannot be stopped.

The question confronting Americans now is whether this trend shall be permitted to grow into a huge power monopoly or whether it shall be so managed as to contribute the greatest benefit possible to the most people possible.

Since 20 percent of the new energy which we must develop during the next decade will be used on farms and rural areas, it is our job in carrying on the unfinished work of George Norris to see that our rural people are not only furnished with adequate electricity at reasonable prices, but, also, that they have full access to power sources, old and new, on terms equal to those given the most favored corporate interests.

This challenge of insuring full and equitable development and distribution of the products of our natural resources is as great a challenge as any that confronted George Norris. The finest and most meaningful honor which we can pay him, and the one which I know he would appreciate most, will be to resolve that we will carry on his crusade to make a better life for the people of America.

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

Mr. JOHNSTON. Mr. President, there are several reasons why I am opposed to the Mutual Educational and Cultural Exchange Act and, therefore, will vote against this program. In the first instance, I oppose this exchange program on grounds that it is entirely too inclusive in nature, in that it attempts to be a consolidation of many enactments now on the statute books. It has failed in this endeavor because it is not specific enough. This is, of course, legislation to enact the program and, therefore, does not carry any appropriations, but the fact that no limitation has been established on how much money will be spent is bad. The threat of wasting money under the program by overspending will always confront us. Then, again, there is no provision for the termination of this program. We are creating a creature with an all too permanent characteristic. In my opinion, it is simply a devious means of appropriating foreign aid without calling it such.

In the second case, I feel that educational programs, as part of our foreign relations, have had no direct relationship to our foreign policy. These exchange programs, by the very nature of the language of the legislation, are not meant to be propaganda instruments to try to convert anyone to our point of view or even our system of democracy; whereas, on the other end of the stick, when our students go overseas they are confronted in many cases with a barrage of propaganda.

In the third instance, I oppose this program because the cost will be a tremendous financial burden on taxpayers who at this particular time in our history, we all know, are going to be called upon to tighten their belts and "shell out" more money for national defense. The world situation seems to be closing in on us as it was prior to World War II. I think the Congress can find a much more useful and beneficial way to spend money for the protection of our Nation and the perpetuation of democracy.

I sincerely believe that encouraging foreigners to be interested in and to understand our American way of life and the principles of democracy is necessary and good. Certainly we in the United States have much to offer other nations, culturally and educationally; however, when we must underwrite and pay for the whole deal practically, then I think we are carrying such a program to an extreme. There is this fact to remember: In the United States today there are literally hundreds of capable American students being turned away from institutions of higher learning because of the increasing pressure of tremendous enrollment, so when we encourage the importation of foreign students, we must remember we are possibly creating a condition that will deprive an American student of education. The State governments, private foundations, and even the Federal Government are striving at every turn to increase facilities at universities and colleges but we still can not keep up with the population expansion. I sincerely feel that a definite limit on spending and other aspects of this legislation should be written out clearly and in definite terms. The program also should be limited in scope so that it will automatically come before the Congress for review.

And last but not least, I want to make an objection to that provision of the bill which would allow for money which is appropriated 100 percent from the U.S. Treasury to be directed, channeled, or programed through the United Nations, UNESCO, or some other international organization. At the present time we already have provisions which allow funds to be provided to such international organizations, primarily UNESCO.

The question is whether we want to change our other programs from ones which are directed and controlled by the Department of State and executive offices of this country or whether we want to turn our programing over to the

United Nations and UNESCO. Personally, I vigorously oppose supplying additional funds to organizations which are influenced as much by the Communists as they are by our Government, even though we supply the financing. If we are going to spend U.S. tax money to lift the standard of living of peoples of other nations, then I do not want the Communists to have any control over the way the money is spent, and I certainly want the United States, not the United Nations, to get credit for providing our tax money.

I cannot vote for the creation of a never-ending, no-limit-to-spending, vague piece of legislation such as this bill. For these reasons I shall vote against this proposed legislation.

JOHN BIRCH SOCIETY LEADERS USE TACTICS HINDERING FIGHT AGAINST COMMUNISM

Mr. YOUNG of Ohio. Mr. President, to meet the challenges posed by Communist imperialism in this grim period of international anarchy, our country needs the harmonious accord of all our people.

The organization which now is doing the most to undermine national unity is the John Birch Society, so-called. Only the lack so far, of M–1 rifles and a military organization separates the John Birch Society and its duce Mussolini, Robert Welch, from fascism and nazism. His doctrine is fascism and his goal is power. He is aping Adolf Hitler and using the tactics Hitler used on his road to power.

The Fascist-minded dictator who runs the John Birch Society with an iron hand once sought office through democratic channels. In 1950 he was defeated for the Republican nomination for Lieutenant Governor of Massachusetts. His campaign failed miserably. Frustrated by his lack of personal political success, Welch turned against the political process itself, and against our form of government.

This demagog of the far right has written:

> Democracy is merely a deceptive phrase, a weapon of demagogery, and a perennial fraud.

In his privately circulated book, "The Politician," Welch said the "whole Supreme Court is a nest of Socialists and worse."

He termed General Eisenhower "a dedicated, conscious agent of the Communist conspiracy." He added of Eisenhower, "There is only one possible word to describe his purpose and actions. That word is treason."

Others he attacked as "agents" or "supporters" of communism included Allen Dulles, Gen. George Marshall, and Dr. Milton Eisenhower.

Welch's equivalent of "Mein Kampf" is the Blue Book, a transcript of the 2-day monolog he delivered to 11 anonymous men at Indianapolis in December 1958.

This blue book is the biggest mishmash of pseudophilosophy, mangled religion, poetry, and jumbled history ever offered to the American public.

In the United States, Welch asserts that as of July 1, 1960, the Communists have a 40 percent minimum of total control. He fulminates against what he calls Communist influence over press, radio, and television. He says preachers "use their pulpits to preach outright communism."

In his view, even the American Medical Association has been seduced and the chamber of commerce "infiltrated" by Communists.

Then comes his conclusion, "that American support of the international Communist conspiracy is now the backbone of its strength and has been for many years."

Robert Welch is a Fascist-minded demagog. He has made it clear that the type of government he advocates would be against civil rights and hysterically antilabor. He hopes to weld the anti's—the spreaders of racial hate, the bully boys, and the lunatic rightwing fringe everywhere into a political movement for power. His plan apes Mussolini's "Squadristas." No doubt later will come the castor oil and horsewhips.

Since the witchhunts of early 1950's, some of our fellow citizens have enjoyed seeing spooky things under their neighbors' beds. Not only do some persons see Communists and other spooks under beds, but like legendary old maids, they hoist their skirts from imaginary mice. The John Birch society preys on those fears.

These radicals of the right in many communities have been practicing character assassination without regard for the truth, threatening merchants with boycotts, threatening college professors and school principals with dismissal. They spread fear, hatred, and suspicion. They even propose infiltrating such fine, worthwhile civic organizations as the Parent-Teachers' Association.

In my judgment, the Fascist-minded John Birch society organizers are as serious a threat to our security and way of life as is internal communism. Unfortunately many well meaning men and women are being duped by the mercenary promoters of this ultrarightwing society—or group of cells with secret membership lists modeled on the Communist Party.

Mr. President, on the front page of today's Washington Post and Times Herald there appears the report of an interview with a former Russian spy, Anatoli Granovsky. Mr. Granovsky was formerly a captain of political intelligence in the ministry of state security of the Soviet Union in 1945 and 1946. Earlier he had been a member of the NKVD, the Soviet secret police. He is evidently a man well experienced in Russian subversive techniques and eminently qualified to speak on this subject. It is noteworthy that Mr. Granovsky is quoted as saying:

> The Soviet Communists would sacrifice a thousand American Communists to save the John Birch Society, for instance. I don't mean the Birch Society is Communist infiltrated. It doesn't have to be. By discrediting prominent Americans, it confuses the population about whom to trust.

The article also points out methods used by Mr. Granovsky and other Soviet agents in destroying democracy in Czechoslovakia and replacing it with communism. It states:

> The Soviets also used tactics to divide Protestants and Catholics, Czechoslovakians, Sudeten-Germans and Slovaks, and to discredit businessmen, he said. Czechoslovakia was a highly developed country, the only one in eastern Europe to maintain a democratic form of government between the two World Wars, and had a high standard of living. "Not just backward countries, but any community or country can thus be destroyed," declared the former NKVD man.

Mr. President, if these are the tactics required to undermine a free society and democratic institutions and therefore pave the way for communism, the leaders of the John Birch Society are unwittingly acting as the handmaidens of the Soviet Union. In their attempt to spread fascism—a sister ideology of communism—these leading John Birchites are in reality furthering Communist aims.

As I have said before, we should not have a congressional investigation of the John Birch Society. These rightwing, wrong-minded radicals, misguided as they are, have the right to organize, collect dues, make ludicrous claims and seek to discredit worthy, loyal, and devoted Congressmen and jurists.

We have the means and the will to inform the people. With the people informed, I have no doubt that this totalitarianism of the right will be rejected and our great American system of government and our traditional American way of life will continue to flourish.

While jousting with alleged Communists they falsely claim are among their neighbors and faculties of our colleges and in the clergy, these pseudo-Fascists make no mention of Communist aggression from abroad. Their real interest is not in helping to prevent the spread of communism but rather to undermine our own basic institutions in order to better enable them to seize power and turn America into a Fascist state.

Deluded people persuaded to join the John Birch Society would do well to repudiate mercenary Fascist-minded demagogs who have been misleading and deceiving them.

Regarding the so-called John Birch Society, Attorney General Robert F. Kennedy stated:

> They make no contribution, in my estimation, to fight against communism here in the United States. In fact, I think if anything, they are a hindrance.

I fully agree with this statement by the chief legal officer of our Government. Thoughtful informed Americans know that the present grave danger to this Nation and to the peace of the world comes from Communist Russia and Red China.

RED CHINA AND THE UNITED NATIONS

Mr. BENNETT. Mr. President, during the past few days I have been reading with increasing alarm the newspaper accounts which indicate that our policy with respect to admission of Red China into the United Nations is softening.

The administration now seems to have taken a position that there is not much use fighting this battle any longer. Secretary of State Rusk admitted during his press conference on June 27 that the United States has no plan whatsoever for blocking the move for consideration of Red China's admission.

I believe the attitude of the administration is outlined quite effectively in a newspaper article in which Representative M. BLAINE PETERSON, of Utah, reports on a briefing session in which Adlai Stevenson outlined his views on this subject. The article, from the Ogden Standard Examiner, Ogden, Utah, of July 10, 1961, is as follows:

Representative M. BLAINE PETERSON, Democrat, of Utah, said today a program should be launched immediately "to condition the U.S. mind" to the admission of Red China to the United Nations.

The Ogden Democrat said Adlai Stevenson, U.S. Ambassador to the U.N., is convinced Red China will be admitted to the U.N. at its next General Assembly.

Representative PETERSON said Mr. Stevenson expressed this belief during a briefing session of Congressmen at the dedication of the United States new Embassy building in early June.

"During a trip to New York City, several Congressmen were called into a briefing session with Mr. Stevenson.

"He told us that the next time the admission of Red China comes up in the U.N. the vote will favor Red China. Mr. Stevenson indicated England and other of our allies are in favor of giving Red China a U.N. seat."

Representative PETERSON quoted Mr. Stevenson as saying, "We don't have the votes to head it off."

The Utahan said a member of Mr. Stevenson's staff was asked what policy the United States has developed to follow if Red China is admitted to the U.N.

"He said we have no policy if this happens," Representative PETERSON said.

The Utah Congressman said "we need a policy to follow if Red China is admitted and we must condition the United States' mind to it."

Mr. President, I think the grave situation we now face throughout the world calls for a more resolute, a more determined, a more imaginative approach to the Communist threat than is indicated in this article. Admittedly, our United Nations delegation faces a difficult problem with respect to the upcoming vote on admission of the Chinese Communists. But instead of devoting their attention to conditioning the American mind to a defeat on this vote, our leaders should be making every effort to prevent such defeat. This administration has shown itself to be extremely adept at the art of legislative maneuvering on Capitol Hill; I would think they would have some techniques which could be used effectively in promoting our cause in the U.N.

Mr. President, the Communists believe that time is on their side, and that the tide of events is moving in their direction. A posture of retreat on the part of the United States can only add to that conviction. Instead, let us again resume an attitude of resolution and determination worthy of a great nation such as ours.

DEPARTMENT OF URBAN AFFAIRS AND HOUSING

Mr. CLARK. Mr. President, at the recent Governors' conference held in Hawaii, a group of our State chief executives particularly concerned about the mounting seriousness of the problems facing urban and metropolitan areas considered the proposal by President Kennedy that a Department of Urban Affairs and Housing be created.

It was the judgment of this informal group of 17 Governors that the President's proposal, as contained in S. 1633, which I was happy to cosponsor, along with 13 other distinguished Senators, was worthy of their support.

As I have indicated, this was an informal gesture on the part of these Governors, and represents, as such, I am sure, only a partial list of the State chief executives who stand in support of the establishment of this important new Department.

These Governors, plus many others who support the bill, recognize that the solution of urban and metropolitan problems is critical to the continued welfare of their own States—as well as for the Nation as a whole.

I believe it is quite obvious that the economic health and social well-being of our urban and metropolitan areas is essential to the economic health and social well-being of the States of which they are a part.

These Governors have recognized that the new Department is intended to work with them and for them in helping local governments solve the great problems developing out of urbanization and metropolitanization. They also recognize that the Department is an essential instrument in helping them to strengthen their own hands in coming to grips with these problems with ever-increasing effectiveness and dispatch.

Mr. President, I ask unanimous consent that the endorsement of these 17 Governors as expressed in the telegram to the Senator from Arkansas [Mr. MCCLELLAN], chairman of the Senate Government Operations Committee, and to Representatives DAWSON, chairman of the House Government Operations Committee, be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNE 28, 1961.

Senator JOHN L. MCCLELLAN,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.
Hon. WILLIAM L. DAWSON,
Chairman, Government Operations Committee, U.S. House of Representatives, Washington, D.C.:

The following Governors attending the 53d annual meeting of the Governors' conference in Honolulu, Hawaii, recognize that 7 out of 10 persons live in the urban political subdivisions of the States and confront the States and Nation with the need for coordinated development of housing, transportation, slum clearance, and urban renewal. We therefore, recommend the establishment of a cabinet department at the Federal level to join the States and localities in meeting these problems in an effective manner. We urge the Congress to consider and adopt legislation at this session to accomplish this end along the lines proposed by the President to the Congress.

Edmund G. Brown, California; David L. Lawrence, Pennsylvania; Robert Meyner, New Jersey; Steve McNichols, Colorado; John B. Swainson, Michigan; Albert D. Rosellini, Washington; John Dempsey, Connecticut; Buford Ellington, Tennessee; Gaylord Nelson, Wisconsin; Bert T. Combs, Kentucky; Matthew E. Welsh, Indiana; William W. Barron, West Virginia; John A. Notte, Rhode Island; Elbert N. Carvel, Delaware; William M. Guy, North Dakota; Ralph M. Paiewonsky, Virgin Islands; and J. Howard Edmondson, Oklahoma.

THE JOHN BIRCH SOCIETY

Mr. CLARK. Mr. President, in this morning's Washington Post and Times-Herald there appeared an interesting article written by Marquis Childs entitled "Birchites Finding Allies in Military." The article refers to the ultra right-wing members of our military forces who are holding public meetings under the auspices of chambers of commerce and like organizations, in order to advance the point of view expressed by the fanatical lunatic fringe which constitutes the John Birch Society. One of these meetings took place in Pittsburgh, Pa., recently, and was, therefore, of keen interest to me.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIRCHITES FINDING ALLIES IN MILITARY

(By Marquis Childs)

One of Secretary of Defense Robert McNamara's goals is to make sure that the military is not playing politics under the guise of educating the public to the menace of the cold war.

It was an Eisenhower administration directive of 1958, still in force, that put the military in the business of helping to alert Americans to the need for an overall cold war strategy. This was a radical departure from American tradition which has held that the place of the military in American life is strictly limited to the professional task of training and equipping the armed services for the Nation's defense.

A memorandum recently sent from Capitol Hill to the White House and thence to the Department of Defense suggests that, with the directive as a justification, some of the military are aiding and abetting the radical right which at the extreme end of the political spectrum is represented by the John Birth Society. This goes so far as to include opposition—implied if not open—to programs such as foreign aid championed by both Presidents Eisenhower and Kennedy.

There is particular sensitivity about the foreign-aid issue, since the President is currently and somewhat belatedly trying to rally the widest possible support for his proposal to expand the scope of the foreign-aid program. For the radical right and certain of its military allies, spending for foreign aid is not merely a waste but perhaps downright subversive. Men in uniform have taken a leading part in, and in some instances have initiated, the memorandum points out, "Alerts," "Seminars," "Freedom Forums," "Strategy for Survival Conferences," and "Fourth Dimensional Warfare Seminars."

"The content no doubt has varied from program to program," the study notes, "but running through all of them is a central theme that the primary, if not exclusive, danger to this country is internal Communist infiltration. Past and current international difficulties are often attributed to this or ascribed to 'softness,' 'sellouts,' 'appeasements,' et cetera. Radical rightwing speakers dominate the programs.

"The thesis of the nature of the Communist threat often is developed by equating social legislation with socialism and the latter with communism. Much of the administration's domestic legislative program, including continuation of the graduated income tax, expansion of social security (particularly medical care under social security), Federal aid to education, et cetera, under this philosophy, would be characterized as steps toward communism."

The memorandum cites several examples. One was a "Fourth Dimensional Warfare Seminar," sponsored by the Chamber of Commerce of Greater Pittsburgh "in cooperation with various military organizations in the Pittsburgh area." The principal speaker was an Adm. Chester Ward (Ret.) who was quoted as saying that "some of the advisers now surrounding the President" have philosophies regarding foreign affairs "that would chill the typical American." He referred to Ambassador to the United Nations Adlai Stevenson and Ambassador to Yugoslavia George F. Kennan by name.

A year ago the U.S. Naval Air Station at Glenview, Ill., initiated an "Education for American Security" school. The speakers were for the most part professional anti-Communists who earn their living by specializing on the "danger from within" theme.

The fear of congressional and other critics of this approach is that far from uniting Americans in the face of a grave threat from the Communist challenge everywhere it has the opposite effect. By creating fear, suspicion, and hatred it sets Americans against each other. Hammering on the theme of infiltration and internal subversion, it suggests that professional agencies such as the FBI have failed to protect the Nation. Or, conversely, it implies that security agencies, preferably military, should be put in charge of indoctrination of the civil population.

A proper step has just been taken in putting the activities carried out within the scope of the directive of 1958 under the Assistant Secretary for Public Affairs, if the military is to take part in this kind of activity it should at the very least be coordinated with the programs the Government is actively sponsoring.

There is little sense in one arm of the Government undercutting the policy that another arm of Government is trying to implement. The net effect is to make this country look so confused and so frightened as to be unable to contemplate the realities of the present-day world.

TAX LOOPHOLES

Mr. CLARK. Mr. President, we shall soon have an opportunity in the Senate to vote to close loopholes in our tax laws so as to obtain more revenue under our tax system and to enable our Government to finance its operations, and to prevent people from using improper ways and means to avoid just taxation.

An excellent editorial on this subject, entitled "Spare No Expenses," was published in the Washington Post and Times Herald this morning, and I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SPARE NO EXPENSES

The Ways and Means Committee has been struggling with the thorny question of business expense allowances. Our credit card economy, which has appropriately been called the ultimate flower of demand feeding, costs the Government some $250 million annually in revenues that the Treasury would like to collect. The Treasury deserves support particularly for its proposal to cut down sharply on business entertainment allowances.

To disallow an expenditure as a tax deduction does not prohibit the activity. It merely means that the Treasury bows out as cohost, letting the full cost fall upon the business that chooses to spend this money. That, in our judgment, is precisely where the cost of yachts, hunting lodges, and other forms of high corporate living belongs.

Here for once is an opportunity to close a so-called tax loophole and at the same time improve in some measure the use to which resources are put. In many other instances of loophole closing, the tax tends to fall upon money that otherwise might have been used for productive investment. Disallowance of entertainment expenditures, insofar as it reduces them, serves to curtail pure luxury consumption. As the economy expands again and begins once more to strain productive capacity, the labor and capital involved can be more usefully directed toward investment in plant and equipment that will aid economic growth.

The Treasury has been told that its proposal would hurt restaurants, theaters, and other parts of the entertainment world. It would be a very adverse commentary upon the needfulness of these business expenditures if the withdrawal of the Federal subsidy caused them to be largely discontinued. Likewise, it would be a sad commentary upon the entertainment industry if it proved to have been supported entirely by businessmen out of the goodness of their expense accounts. The chances are that business entertaining would not come to a full stop even if it ceased to be deductible. In our affluent society there are presumably some people who have been enjoying good food and wine at their own expense.

As far as the theater is concerned, at least one witness close to show business has testified that the Treasury's proposal would be an excellent thing. It would give the rank and file, many of whom have given up trying for tickets, a better chance to get in. The theater will in any case remain heavily subsidized by the Treasury, in the form of tax deductions claimed by the angels supporting unsuccessful shows. If the Government is to subsidize the theater, which seems appropriate, there is no reason why the play bill should be largely determined by the tastes of tired businessmen with an evening in town to kill. More people will see better theater if the expense account is less in evidence.

PROPOSED DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

Mr. CLARK. Mr. President, I commend to the attention of Senators an excellent editorial on recent proposals made by President Kennedy to establish a U.S. Disarmament Agency for World Peace and Security. I point out that, to my way of thinking, the proposed legislation is one of the most important subjects now pending before the Congress. I hope it will be promptly reported to the Senate and passed by a large majority.

I ask unanimous consent that the editorial entitled "A Small Wager on Peace," published in the Evening Bulletin of Philadelphia on July 5, 1961, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A SMALL WAGER ON PEACE

It is a sad commentary on the state of the world that President Kennedy's proposal for the establishment of a U.S. Disarmament Agency for World Peace and Security has created only a small ripple of comment.

The reason obviously lies in the disillusionment produced by a long succession of disappointments. Discussions with the Russians that began hopefully have all foundered on Soviet intransigence. The collapse of the nuclear test ban talks is only the latest in a long series, and, in some ways, the most disheartening.

This disillusionment may serve a useful purpose if it puts an end to wishful thinking that an accord with the Russians can be attained quickly by unilateral concessions, and that defense preparations can, meanwhile, be suspended as we are now doing with our voluntary suspension of atomic tests. In matters of national survival there can be no substitute for realism.

But realism is a coin with two faces, and requires that, whatever the disappointments, there shall be no abandonment of efforts to explore every path that might lead to a genuine and lasting peace. If it is realistic to recognize that all approaches thus far lead only to a stone wall or the surrender of freedom, it is also realistic to continue studying why these approaches have failed and to examine every possibility of a better approach.

President Kennedy's extremely able and experienced disarmament adviser, John J. McCloy, certainly no idle dreamer, has carefully prepared a program for doing this, through the Agency which the President has now asked Congress to approve. It is a program which would begin with extensive research into all the technical, economic, and political fields involved in plans for disarmament, and proceed on the basis of these studies to make disarmament recommendations and, if these are approved, to conduct negotiations.

Its cost in the first year is estimated at $6 million. What the President is asking is that the Nation make a small—a very small—wager on the possibility of finding a way by which the arms race can be ended without endangering the Nation's safety. The most determined pessimist can hardly contend that such a prize isn't worth this modest bet.

KIPLING ON INTERNATIONAL BLACKMAIL

Mr. LAUSCHE. Mr. President, the frequency with which history repeats itself and the similarity of world and national problems and maneuvers by aggressor nations from decade to decade is brought to light in a poem written in 1911 by Rudyard Kipling entitled "Dane-Geld." At that time, Kipling, an ardent patriot, saw his country, England, threatened by the rising power of Germany and wished to awaken his fellow citizens to the potential need for brave men to face perilous times.

Mr. Kipling appropriately selected the title and subject matter for his warning poem, the phrase "Dane-Geld," which refers to an ancient annual tax

of the Anglo-Saxons to maintain forces to resist the Danes. It was first paid in 991, when Ethelred, King of England, purchased the retreat of the invading Danish army, which had reached as far as Maldon in Essex County. The tax was continued until the time of King Stephen—1135–54—as one of the rights of the Crown. It was not actually repealed until Henry II's time in 1163.

Mr. President, the warning sounded by Mr. Kipling in 1911 and no doubt the reason for the repeal of the tax in 1163 are apropos to our own country and the free world today.

Americans will respond to the President's plea for personal sacrifice in order to provide a strong bulwark of national defense, but Americans will not play the game of international blackmail.

Mr. President, I shall read the poem, "Dane-Geld," by Rudyard Kipling:

DANE-GELD

It is always a temptation to an armed and agile nation
To call upon a neighbour and to say:
"We invaded you last night—we are quite prepared to fight,
Unless you pay us cash to go away."
And that is called asking for Dane-geld,
And the people who ask it explain
That you've only to pay 'em the Dane-geld
And then you'll get rid of the Dane!
It is always a temptation to a rich and lazy nation,
To puff and look important and to say:
"Though we know we should defeat you, we have not the time to meet you.
We will therefore pay you cash to go away."
And that is called paying the Dane-geld;
But we've proved it again and again,
That if once you have paid him the Dane-geld
You never get rid of the Dane.
It is wrong to put temptation in the path of any nation,
For fear they should succumb and go astray;
So when you are requested to pay up or be molested,
You will find it better policy to say:
"We never pay any-one Dane-geld,
No matter how trifling the cost;
For the end of that game is oppression and shame,
And the nation that plays it is lost!"

—*Rudyard Kipling.*

I think the thoughts expressed by Rudyard Kipling in his poem written in 1911 are applicable to the present time. If we keep paying the enemy, he will never go away, and in the end the cost will become a loss of honor, a loss of courage, and eventually a loss of government.

FOOD FOR PEACE

Mrs. NEUBERGER. Mr. President, we welcome back to the Chamber the Senator from Minnesota [Mr. HUMPHREY], who has recently completed a very important trip for our country. I am sure I express the views of many Senators. We have read the wonderful reports on the Senator's trip that have been published in our daily newspapers.

But in addition to his accomplishments on his trips, the Senator from Minnesota has long been known for his association with Public Law 480. He has often remarked on the floor of the Senate and in other speeches that this is a non sequitur for a very important piece of legislation. Before he left on his recent trip, the Senator from Minnesota addressed the First National Conference of the American Food for Peace Council, and his remarks are so interesting that I think they are worthy of inclusion in the RECORD. I ask unanimous consent that his address be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY AT THE FIRST NATIONAL CONFERENCE, AMERICAN FOOD FOR PEACE COUNCIL, WEDNESDAY, JUNE 28, 1961, SOUTH AMERICAN ROOM, THE STATLER-HILTON HOTEL (AS ACTUALLY DELIVERED)

Thank you very much, Olive Clapper—my good friend, our good friend—and Senator Javits, Secretary Freeman, the Reverend Clergy. I'm going to be careful now, I don't want to mix up all these titles, members of the Council, and ladies and gentlemen.

The first thing I want to say is how grateful I am for the privilege of sharing this platform, as my esteemed colleague from New York has said, with a fellow Senator. How wonderful it is to share the platform with one who has the enlightened attitude on public questions that Senator JAVITS has. I would say that it is my fond hope that everyone in Congress would have the same attitude and the same philosophy of public service and public welfare. But I must say to you that all of us are not alike, and, therefore, you will have to deal with us as we are.

They tell the story about an early English anthropologist who came to the American Colonies in the early 1700's. At that time the discipline of anthropology was a bit primitive. He came over here to observe the habits and the customs of the native American Indian, and when he went back to England he published his works. The key sentence and the main thought were as follows: "I went to the Colonies to study the habits of the American Indian. All Indians walk single file—at least the one I saw did." May I say that all Senators think as JACOB JAVITS. At least the one I heard tonight did. I am only grateful that we have him and I wish we had more like him.

I just want to reminisce a little bit with you so that you will know that this is really an informal gathering. The first thing I would like to say, Olive, is that you introduced me as the assistant majority leader—and this is why I don't have the tux on tonight. Brother JAVITS got away before I did. I was given the dubious honor of putting the Senate to bed, and it was still singing (and not snoring) when I left. I was somewhat doubtful as to whether I could even stay when I arrived. But, fortunately, we were guaranteed that there would be no expression of the collective will tonight by a rollcall vote. There is only an expression at this hour of our collective ideas given through individual interpretation.

But I couldn't help but think as I sat here tonight alongside my friend, and our very much admired and hard working Secretary of Agriculture, Orville Freeman, of something else that Olive Clapper mentioned. She said that it was my privilege when I was mayor of Minneapolis to have an administration in which we had the first municipal fair employment practices ordinance. That's right. I was the mayor and Orville Freeman was the lawyer who wrote the ordinance. So here we are. And, by the way, the man that's going to be mayor next week of Minneapolis was the secretary and kept both of us on the beam. We sort of let things go a little while out there, but we're reclaiming possession again, you see. We don't want you to think that there's any sort of political aristocracy or inheritance, but we wouldn't mind it if there were.

As I looked down the table tonight and saw Mrs. McGovern I couldn't help but think of how much we miss George McGovern on an occasion like this. He really gave a part of his health for the cause. He's recuperating right now. But George McGovern was a neighbor of Secretary Freeman and me out in South Dakota. I think Eleanor feels that I sort of talked George into politics, or at least had something to do with it. I remember one time when I told George that I thought it would be a great idea for him to run for Congress, Eleanor was reaching up for the poison bottle—for me. Now here she is, as attractive as ever, and her husband doing a great job, even though momentarily indisposed. We can think of many happy remembrances.

When I first heard the name SYMINGTON I couldn't help but think of a Senator who has served on the Committee on Agriculture and Forestry during all these days that we tried to build, expand, and develop what we call the food for peace program. And here tonight is the fine and illustrious son of a fine and patriotic and illustrious father—father and son, Jim Symington, the son of Senator STUART SYMINGTON, both of whom have given so much to this program. And you literally can go up and down this table and all through this room and reminisce in this manner.

Here is Dr. Sen, whom I've known and who has given me such inspiration through the years and whom I visited one time over in his office only briefly at Rome. Some of the first inspiration I received for the use of food and fiber as an instrument of peace and the development of human concern came when I talked with Dr. Sen and some of his associates back here in 1950 and 1951.

On my wall in the Senate is one of my proudest possessions, a picture of the former Secretary of State, Dean Acheson; the former Ambassador from India, Madame Pandit; the former U.S. Senator, Herbert Lehman; the former Congressman from Arkansas, Brooks Hays; and my good friend, Dr. Sen. We were all together in one picture for the ceremony of signing the agreement when India purchased from the United States of America under special legislation what was known as the emergency food aid program to India—4 million tons of our cereal grains. I happen to have been one of the authors of that bill. It was a bipartisan endeavor. But it is in my mind the one program that meant more to me, least in the early days of my Senate work, than anything else that I ever attempted or ever accomplished.

Tonight, I'm going to visit with you a little about the food for peace program. There isn't a thing new that one can say. All of you have heard from me too many times, but of course you need self-discipline, you need to make some sacrifices. Remember what our President said: "Ask not what your country can do for you. Ask what you can do for your country." And tonight you can sit and listen to HUBERT HUMPHREY. This is just one of those little things.

And so here we go, I'm going to talk to you. I'm not going to review for you the four titles of Public Law 480. You know them better than I do. Yet, when Herbert Waters, Dwayne Andreas, and I traveled in 1957 to 10 countries in southern Europe, north Africa, and the Middle East, I say most respectfully and without in any way trying to embarrass anyone, that I found the foreign ministers and the agricultural ministers and the ministers of commerce and the ministers of welfare and education in the other countries knowing more about our food for peace program, then called Public Law 480, than our own ambassadors did or any of the people in our embassies with one or two exceptions. And if we did nothing else in

that particular tour, we gave an on-the-spot adult education program on the use of food and fiber. When I came back, and you people know me well enough, I was breathing some fire and maybe a lot of smoke, but at least I had a little heat. I went to the Secretary of State and to the Secretary of Agriculture (and, by the way, Governor, I didn't go to the Department, they came on over—I never was invited to the Department in those days—I want to thank you for your kindliness).

When we came back we went to the proper officials of this Government, including the President of the United States, and asked that the least we could expect was that our own officials, that our own foreign service, that our own ambassadors, that our own economic consultants abroad know of what we had in this great program for the use of food and fiber as an instrument of economic and social development and progress. And we started to make some headway, other Senators became keenly interested, and as you know, let me be very frank, Senators on both sides of the aisle are interested. Not enough of us are interested, but some of us are.

If you want to know what you can do for what you have in mind, you go the next day that you are here and catch every Senator and Congressman here at least one more day before the Fourth of July. Call on them, talk to them about this program. I wonder how many of you know that we've had to fight day and night to be able to get what we now have and to hold what little gains we have made. If you are not like Horatio at the bridge, if you are not there like the Spartans at the pass of Thermopylae meeting these attacking political Persians coming down the line on you, why you will not be able to hold any of these gains.

The Public Law 480 (which is a miserable name for a wonderful program)—the food-for-peace program—is in trouble today in Congress. It is in trouble in the House, and it may be in trouble in the Senate. And if you want it, and I know you do, you will have to do more than meet in the Statler Hotel or the State Department or Blair House. You will have to get up and pound the pavement, walk those long corridors of the Senate Office Building and find us. We can hide out, you know—you're right, we're clever rascals once in a while. You will have to find us and then you will have to get specific commitments. You won't have to get them from Senator JAVITS. You won't have to get them from Senator AIKEN, but there will be some and I ask for your help.

I'm not on the Committee on Agriculture any longer but I am keenly interested in its work. I'm on the Committee on Foreign Relations, the Committee on Appropriations. I learned after being in the Congress going on my third term, it's always good to be close to the spigot, so I go over on the Committee of Appropriations. It's very helpful. It seems to have a way of penetrating through the whole fabric of government, plus the fact it gives you an opportunity to exercise some influence on many departments and many activities of government rather than the one or two to which you may be assigned in what we call the legislative committees. But I appeal to you fine men and women here tonight. I appeal to the chairman and the cochairmen of this council and advisory group, I appeal to you to mobilize in your communities support for this program.

It's popular; for the life of me I can't understand why we have so much difficulty in Congress. I think the main reason is that the people don't understand it in its particulars. It is very easy for a man to go home from Congress and say, "Oh yes, I'm for food for peace." But how much of it is he for? Is he for the use of the currencies generated from this program? How is he for their use? Is he for converting food into hospitals?

You know, back in the Middle Ages, the kings used to hire what they call alchemists. These were the scientists of their day, and rather than trying to find a way to fly to the moon or outer space they were just trying to convert base metal into gold. They used to lock these fellows up in the towers, give them a sort of kingly commission, and say to them, "Now go to it. Here's the base metal, convert it into gold." Of course they had a very good system of incentive. If you failed, you didn't come out of the tower. That's why there was a shortage of scientists. There were very few that were successful. But, my good friends, we can convert food and fiber from the fields of the United States of America into everything that you want for this world. We can convert it into happier homes, healthier people, and economic development. We can convert food and fiber into schools, into books, into libraries, into community health centers, into out-patient clinics, into scholarships, and into international research.

I had the privilege of being host to a group of parliamentarians from Finland when I was in Finland in 1958. Mrs. Humphrey and I were journeying in that part of the world. I visited the hospitals all over Europe in our program of international medical research. We have made progress. One of the few things that we have been able to get out of our negotiations with the Soviet Union is a better exchange of medical information. That was the result of that trip. Five requests were made of Premier Khrushchev and all five were fulfilled in the field of medical research and medical cooperation.

Before I went to Moscow I stopped in Helsinki. I went to the general hospital to what they call the brain damage center. I went to their hospitals for the amputees, for rehabilitation. And what did I find out? I found out that they were sorely in need of financial resources and I also found out that we had literally millions of dollars worth of Finnish currency waiting there in the banks of Helsinki unused, currency that could be used for economic development (it subsequently was), and currency that could be made available to send young Finnish doctors, scientists, and educators to conferences in other parts of the world and to buy them facilities and materials. And I was told by the President of the Finnish Parliament just 10 days ago that that one act, that one moment of encouragement which was followed through by our Government after the report, that that one thing had done more to promote Finnish science than anything else that the United States had done in Finland.

We took wheat and made scientists. We took wheat and educated students. We took wheat and made the cripple walk. That's what food for peace means.

To me, this program is filled with everything I ever believed in. It's full of the best of politics, it's filled with good economics and it's filled with the best we can hope for in international relations. I don't believe that one ought to justify any program on the basis that we can do it better than somebody else. Or that this is the way to beat someone down. I have said from many a platform and I repeat it here tonight, that a foreign policy based on merely negative aspects, a foreign policy that is predicated only and primarily upon anticommunism will fail. It does not succeed. It takes more than that. The best way to defeat evil is to do good, and the best way to overcome ignorance is to teach and to educate, and the best way to drive from this earth the scourge of totalitarianism and communism is to preach freedom and to practice it and to permit people to enjoy some of the fruits of life. This is the way we ought to be doing things.

In the use of food and fiber we have this wonderful opportunity of a very, very constructive program that can mean so very much to us.

But just let me give you an example. I say, the best thing to do is what is right and I like what our President said in his inaugural address. He said: "We are not going to do these things merely to outmatch or to do them because the Communists may get us or to do them merely to get votes. We are going to do them because they are right." Every man who has ever run for office knows that the best politics is to do what is right, and to do it right enough so that the right stands out as if it were in neon lights. Do it big enough so that the people can understand it, even those in distant places. Do it with such sincerity that even with its silence, it is like the roaring thunder of a storm. And we can do just that.

I noticed the other day that Mr. Khrushchev gave a little lecture. I spoke about it tonight in the Senate. I asked, for example, that we not always gear our sights to what he is doing. I suggested that when he insisted that we run that it might be well just to walk steadily, confidently. We shouldn't always have our eye on his latest trickery or his latest threat. But I noticed Mr. Khrushchev after he was through threatening us on Berlin, threatening us on this and that, finally had to admit that down in certain parts of the Soviet Union horsemeat was tasty, that horsemeat had all the fat that was in it, at least he had so been told, and he suggested that horsemeat was just what they needed for their diet. Here is the leader of a nation that says that by 1970 they are going to overtake us and the standard of our living—9 years from now. Here is a man who boasts of their superiority, of their power. And here is a man who only in recent months has faced shortages of pork, shortages of beef, shortages of fats and oils, and now shortages of meats of all kinds and is now recommending horsemeat. On the same day that he recommended horsemeat for his people, we took the tariff off horsemeat for our dogs.

It may be an odious comparison, but think of it for a moment. We are not recommending that. We are recommending a good diet. I am not saying that some people may not have difficulty in finding protein and use foods that we are not accustomed to. We must have a food program, by the way, that meets the dietary needs of people in different parts of the world. It cannot always be packaged "U.S.A." and signed, sealed, and delivered according to the latest advertising standards of our own country. But I want to suggest to this audience tonight that if you think we have troubles (and most Americans are going around now bent over like a pretzel. I have seen very few that look out any more. They are kind of walking around like this, not in a sort of reverent spirit but with the burdens of the world on their backs, apparently). Well, I want to remind you that other people have things go wrong, too.

Yes, sir. There is lots of trouble in Cuba. Mr. Stevenson reports plenty of trouble in Latin America, and he only reaffirmed what the facts obviously indicated. And if you think Cuba is troublesome to us, think of the colossal defeat that the people of Africa in their passionate desire for independence and freedom have given to the totalitarians and Communists. This is a defeat the like of which no country has suffered in recent years. They have an inadequate food sup-

ply, problems all through the economy, rebellion in Albania, and obvious idealogical differences within the so-called monolithic bloc.

We have trouble? We are a peaceful household. As Senator JAVITS said, with our fabulous resources, with the unbelievable amount we could put to work, it could be a great future if we could do it for all that we believe.

The other day a young man passed me a little note in the hearing of a Foreign Relations Committee. He said, "How incredible that the free peoples of the world with 75 percent of the known wealth of the world seem to be in retreat before a bloc of nation states that have less than 15 percent of the wealth."

And why? Because we refuse, as has been indicated here tonight, first to properly coordinate our resources, and secondly, to state our goals and objectives. One goal and one objective, very simple: We can banish hunger. We ought to announce it to the world, and the Food and Agriculture Organization has said that it is within our means to conquer famine. We can announce to the world tonight that never again will famine plague this earth. What other people can do that? The free peoples of the world are those that live within this realm of freedom, and this does not only include those allied with ourselves. The free peoples of the world, tonight, with coordinated effort, can banish from this earth the scourge of hunger and famine. I think that is more important than going to the moon, and there are more people who will be interested in it, too. I don't say that the other is not of vital importance, because it is. I'm not one who believes that you have to be selective; you can do both, if we so will it.

These last few days I've had the experience of being involved in many good enterprises: foreign aid. (It's going to be difficult, we're going to need your help if you believe in this not only to pass this bill, but to emphasize how it is to be administered.) I know changes have been made on top and I'm proud to be associated with the President, the Secretary of State, and with an administration that seeks to see that our foreign aid gets to the people, to build a better life, to find ways and means of enriching this life and preserving independence and extending the areas of freedom. But we are going to need your help to remind people that this foreign aid is to get to people, and we are going to have to use some of our foreign aid through the great voluntary agencies that are so much a part of our way of life.

I have tried to get the message across to this country that our Government is like the tip of an iceberg. It represents only a small part of the power of this Nation. As Senator JAVITS has so well pointed out tonight it represents a very small part of the total resources of our Nation, and unless the free peoples in the free countries of the world can learn how to mobilize their resources, private and public, voluntary and governmental, we haven't a chance. An undisciplined, uncoordinated majority is an easy prey for a disciplined, hungry, tough minority. Our job, it seems to me, is to learn how to mobilize these resources and to state our objectives.

First of all I see the objective to banish hunger, and I want to see us do it. I want to see us announce it. I want every American to state it all the time. Not that we alone will do it, for it's not in our power to do it alone. But as has been pointed out so well, we can teach people how to help themselves. This we can do, not alone, but with our Japanese friends, for example, who are outstanding in the field of agriculture, to help train people, to teach people better agricultural habits. Here is where the United Nations may have a better understanding of some conditions in other parts of the world than even our own farmers in our own agriculture. But we have in the Department of Agriculture one of the greatest research establishments the world has ever known, not only research on the production of food but also research on the use of land.

I think that it is unfortunate that the Department of Agriculture has not been used to a maximum, stretched to the breaking point, in helping people lift themselves from the quagmire of their poverty and of their obsolescence. We can do this but it will take you to help get it done. What we need is some rethinking; we need to get our thinking clear. Do you know what we have thought of agriculture lately? "Costly," "price supports," "production control." We've had people who have been critical of our agriculture, so critical that they so abused it that the American people don't realize what they have. I am sure the Secretary told you as he has told every audience in America over radio, TV and public platform, that agriculture is the greatest success story that America has ever had. And it is. The production of our economy, our agricultural economy, is so fabulous that we pay people not to produce. Maybe this is necessary for the disciplines of our modern economic system.

But I sat down today, as I told Mrs. Javits, and wrote myself a letter. I hadn't very much time to prepare for this particular meeting. I'm going to introduce a bill tomorrow on the National Disarmament Agency and I wanted to do a little work on that, and the nuclear test ban, and the whole problem of our disarmament negotiations which is one area in which I'm supposed to have some information. In betwixt I try to see all the people who come from home, and a few other things. I didn't get much time to write myself much of a letter. But I pointed out one thing: there are those who feel that this program merely intensifies our foreign aid costs and adds a continuing burden to the Federal budget. If there is one thing I hear about the food-for-peace program it's what it costs and I am here to disabuse every mind of that fallacious and erroneous idea.

What it costs? The total agricultural program of this country, representing one-third of the population of the Nation, representing over $30 billion of production and more, representing the very health and well-being of this Nation, the total costs of everything we do for our schoolchildren, for our needy, for our elderly, for our farmers, for our foreign aid, in agriculture is less than 9 percent of our defense budget. Let me tell you, my fellow Americans, if you take away 3 percent of that 9 percent you won't need any defense budget because this country will be in such unbelievable economic condition and the world will be in such panic that you couldn't produce enough weapons to protect yourself.

Food has become a shield for freedom and more than that it has become a penetrating weapon far more powerful than this so-called nuclear fusion that I keep reading about. I wish I could get as many people excited in this country as to what we could do with food, how we could process it, how we could ship it, how we could store it, how we could make it available to the millions of people in this world as we can get people all excited about that the Russians might be cheating on nuclear tests. They may be cheating on nuclear tests, but I'll tell you one thing, they are not cheating on agriculture: It's a known failure in their country and we ought to know that. And all over Latin America they need our help. We've got the chance of a lifetime and at the same time the greatest challenge to help these people help themselves. By the way, the world is not industrialized, my well-fed, industrialized, well-to-do, affluent fellow Americans. The world is agriculturalized and most of it in very primitive condition. You would think every time we talked about these conditions, we had to build a steel plant for somebody. They need hoes, just a garden hoe, a plow, before they need a steel plant. We may have to help them with the steel plant as a symbol of their new-found independence and power, and many nations do need steel plants, but let me assure you what is more needed is a steel plow or at least a tip of steel on the plow. What is needed is a pump, what is needed is seed, what is needed are experimental stations, what is needed are ways and means of preserving food cheaply, what is needed are storage facilities in far-off distant places, what is needed is commodity stabilization.

I listened to Ambassador Stevenson's report yesterday in executive session and let this one sink in: If the price of coffee in Latin America drops one-half cent a pound it will wipe out all of the foreign aid we intend to give them next year, all of it. So you can pour in a half a billion dollars of foreign aid and flush it down the proverbial sewer if the price of coffee drops one-half a cent a pound.

Maybe we ought to be thinking about commodity stabilization, maybe we ought to be thinking about how we can develop farm cooperatives, credit unions so that a little farmer and a peasant in a far-off place can borrow $10 and not have to have three generations of his family pay off the usurious interest. Maybe we can help people build a simple little house in which their love and attention can make a home, maybe these are the things that we can do and I submit that we can do it with food. Ambassador Stevenson told us yesterday about the flood of propaganda material against America. May I say most respectfully to my friends, the clergy, that the flood of anti-religious material of every faith, Catholic, Protestant, and Jew, poured into Latin America—from where?—from the propaganda poison wells of Communist China.

Here stands mighty America with its drugstores and its bookstores loaded with some of the worst junk I have ever seen in my life in terms of paperbacks. You go to any one of these places, there's shelf after shelf, some of it unfit even for human inspection, much less human digestion. But there are paperback books there until you can't haul them in or haul them out and yet the richest country on the face of the earth can't afford to send paperback books about Lincoln, about Jefferson, about Franklin Delano Roosevelt, about social welfare, about the good neighbor, about the future of Latin America. No, we are too broke.

We're nuts.

And where are we going to get the money? Well, I'll tell you where you can get some of it: you don't have to print all the books here, print them down there. Where can we get some of the money? From the wheat, from the vegetable oil, from the feed grains, from the cotton, from the corn, from whatever we send that we trade. It can be done, you know. We once took $5 million of these soft currencies and turned them into books, and sent them to Japan, paperback books. We met the Communists' price. We could drive them out of the market if we will it, but we sometimes feel that these things are not economic. I want to say most respectfully, my friends, what we need are dreamers in this program, not just budget-keepers. I believe in budgets but I want to say that we need people who dare to make a mistake and if they are fired for it they are just one of the casualties, people who are willing to take a chance or there won't be any chance to take a chance.

So I say when you talk about the cost of this program, think about what it will cost if you didn't do it. I'll give you some ideas about the cost. Have you ever thought how much it costs to keep an acre of land idle in this country? Have you ever thought about how much it costs in this country in kind and in cash for programs? Have you ever thought about how much it costs in idle manpower and idle machines to have unemployment? To have people driven from the land because they can't make a living? Many of the people in our cities today that are on the unemployed roles were former farmers driven off the land because they weren't allowed to produce.

They weren't allowed to be patriots, and now instead they are problems. But we are beginning. It didn't take long for the Secretary of Agriculture, this Secretary, to put a food-stamp plan in operation. The law was already on the books for a long time. I know. I passed it. I was its author. But it was unused. It didn't take the President of the United States long to say we are going to distribute more food to our needy. Did the American people complain? Have you ever heard one American complain? They say, "Hurrah! Why didn't you do it before?" The American people are not going to complain because we are generous. The American people are not going to complain if you share food and fiber. They may complain if the money we pour in doesn't get down to the right people, if it's chewed up and used up and consumed by corruption. They are not going to complain when you feed people, when you help people, and here's where our voluntary agencies come into such a significant role.

I think that food for peace cannot be geared to an economy of scarcity. I don't believe that food for peace should be considered surplus disposal. I don't think the people of the world want to be looked upon as sort of GE, Westinghouse, Frigidaire disposal units. I think they would like to be looked upon as human beings.

I don't think that food for peace should merely be considered an aid to American agriculture, even though it is based in part on that. Food for peace requires a philosophy in this country of producing for abundance. Food for peace is going to force this country to wake up to the challenge that we face. You can't beat an all-out producing Soviet economy with an American economy in which you try to choke off its productive capacity in the name of profit. It can't be done.

The economics of scarcity is a mortal evil to the survival of freemen and if that sounds sort of revolutionary, so it is. We had better make up our mind that we need more teachers, that we need more doctors, that we need more nurses, that we need more iron ore, that we need more clothes, that we need more food, that we need more of everything we can lay our hands on that is worth while. It's a sad commentary on free people and freemen in a world of great want and great need that we can't produce it. But I want to let you in on a secret. If tomorrow morning the Berlin crisis should develop into world war III, we would ask every farmer to produce twice what he is producing, and we would have a place for it, and there would be no more people. There would be fewer because an awful lot would be dead the first 15 minutes. You know it. Tomorrow morning our steel plants would run at 110 percent capacity as their goal and within 3 months they would be at capacity. Tomorrow morning men would be called back to jobs, if we pull the trigger.

So why don't we pull the trigger for peace? What is it that uses material in war any more than the materials that we use in peace? Surely we would waste some in peace. Of course we would. We waste them in war. I suggest that you have better control over the waste in peace. Not only that. It's more enjoyable. You can gripe about it. Food for peace requires programs of production and distribution, of a variety of commodities, and this Secretary above all knows it. We pledged fats and oils to hungry people to wake up to find out we don't have it. We pledged in our enthusiasm powdered milk to find out that we had cut back the dairy industry so much that the poor cow who wants to be a 100-percent patriot can only be about 80 percent.

We need production goals, we need distribution goals and we need to ask our farmers, not to demand of them, not to require of them, but to ask of them to meet these goals. I think our farmers would like to know that they were being given a chance to participate in a great crusade for peace. I think food for peace requires processing of food and fiber to meet the needs of many peoples in many climates. It requires research on our part in this area. Food for peace is, as has been said, an instrument of peace and an expression of justice. It's a tangible expression of our real humanitarian concern for our fellow men.

I know that food for peace isn't the only avenue to peace, but it is an approach. I'll tell you something—one who at least is given the hope and the opportunity of a little food is possibly just a little more peaceful and a little more reasonable. It is fair to say that wherever hunger stalks the land, so does ignorance, so does sickness, so does poverty. It is fair to say wherever hunger goes unchallenged, there walks the tyrant, if not the political tyrant, the tyrant of despair and the hopelessness which is every bit as evil and every bit as demanding. So I think that this program offers a great opportunity to awaken in America its sense of moral consciousness. Let me conclude on this note: There isn't any way to get peace and justice without a sense of moral conscience. You can't get it by manipulation. You won't get peace by just more foreign aid, or by a new Secretary of State, or by changing Presidents. You won't get peace by establishing a national agency on disarmament for world peace and security. We will get it when we somehow or other arouse throughout the world, at least throughout this part of the world that has such a great responsibility for a just peace, a sense of morality, a sense of decency. For peace is equated with justice, for peace is equated with freedom, and here it is equated with plenty and with opportunity and that's why I am for the program.

Now I want your help. This has been the sermon. Now let me take up the collection. Let me say very frankly to you again, that before you leave this city, quit talking to yourself and go talk to Congress, go on up and find out who the members are of the Foreign Relations Committee, the Committee on Agriculture, and the Committee on Appropriations. If you don't know their names, come to my office and we will give you a list. Go to the people of your State, talk to them, reason with them, appeal to these fine men. They will do what is right when they see what is right, and they will be more willing to see when it comes from their neighbor, from their constitutent, from their friend.

Talk to your editors back home, get American editors aroused as much about hunger as they are about tyranny. Get them as aroused about hunger and the hope of using food for peace as they are about Castro and a few others. Get them on the side of being for something, and when the people of America get this message as you have gotten it, there isn't any doubt what Congress will do. We are going to need it for a long term, not 1 year.

Forget it, if this is just going to be a 1-year program; go home, enjoy the evening, go out someplace because you are just wasting your time. We must be willing to pledge to the world at least for another decade that America stands ready, always, stands ready like a minuteman, like a stalwart soldier to help people as they try to help themselves to build a better world.

Thank you.

Mr. HUMPHREY. Mr. President, I merely wish to thank the Senator from Oregon for her generous remarks and for the kindness and courtesy that she has extended to me.

Mrs. NEUBERGER. I am glad to see the Senator back.

VOICELESS PEOPLE

Mrs. NEUBERGER. Mr. President, for years now, religious, charitable, and social organizations have endeavored to bring to our attention the plight of our migratory farmworkers and their families. It has long been the hope and aspiration of many conscientious Americans to extend economic and social justice to our migratory farmworkers.

It was, therefore, with a great deal of interest that I noted an excellent editorial entitled "Voiceless People," which appeared in the Washington Post on Friday, June 23.

The editorial gives well-deserved recognition to the Senate Subcommittee on Migratory Labor, the chairman of which is the distinguished junior Senator from New Jersey [Mr. WILLIAMS], and the efforts which are being made to alleviate many of the most serious problems facing our migratory farmworkers. Characteristically, the Senator from New Jersey is pursuing the solution with understanding and compassion.

The editorial points out that:

> Senator HARRISON WILLIAMS and the Subcommittee on Migratory Labor which he heads have studied the problem with extraordinary patience and have framed pragmatic, realistic legislative measures to deal with it.

I understand that six migratory farm labor bills have received the wholehearted support of the administration through the testimony of Secretary of Labor Arthur J. Goldberg and Secretary of Health, Education, and Welfare Abraham Ribicoff, and that these bills, which are now awaiting executive consideration by the Committee on Labor and Public Welfare, pertain to the prohibition of agricultural child labor outside school hours, improved educational opportunities for migratory farm children and adults, Federal registration of crew leaders, improved health services and facilities for migratory farm families, and the establishment of a National Citizens' Council on Migratory Labor.

It is indeed encouraging to know of the positive action being taken in this field. Because the editorial is indicative of growing national concern for our migratory farmworkers and their families, I ask unanimous consent that the editorial appear in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VOICELESS PEOPLE

Slowly, slowly, Congress seems to be moving toward remembrance of that most desperately forgotten element in American life—the migrant farmworkers. Senator HARRISON WILLIAMS and the Subcommittee on Migratory Labor which he heads have studied the problem with extraordinary patience and have framed pragmatic, realistic legislative measures to deal with it. The administration has given these measures vigorous support through testimony by Secretaries Goldberg and Ribicoff. The subcommittee has already given its approval to half a dozen of the Williams bills and will soon act, we trust, on several others requisite to a rounded remedy for the plight of the migrants.

The migrant workers are a national and very nearly a nationwide problem. At least 22 States depend on them to harvest their perishable fruits and vegetables each year. But their employment is seasonal, their earnings miserably meager, their living conditions usually shameful, their opportunities for the education of their children tragically limited. In very large measure, they are the victims of a bitter kind of exploitation—sometimes by employers, sometimes by crew leaders. And because they are without roots or status, they are, in a very real sense, as a spokesman for the AFL-CIO put it, "voiceless people."

The Williams bills are designed, in brief, to prohibit agricultural child labor outside of school hours for children below the age of 15, to provide educational opportunities for migratory workers and their children, to require registration and regulation of agricultural labor contractors, to promote health services for the migrants, to assure minimum standards in housing, and to establish a minimum wage. In addition, these bills would authorize the Secretary of Labor to provide improved programs of recruitment, transportation, and distribution of agricultural workers throughout the country.

The plight of these people is a reproach to the United States, a drag on the national economy, and a strain upon the country's pretensions as an advanced democracy. Twentieth century America is no place for a hopeless, landless peasantry.

HOW DO YOU SPELL CONSUMER?—PACKAGED CONSUMER GOODS

Mrs. NEUBERGER. Mr. President, the Judiciary Subcommittee on Antitrust and Monopoly, under the chairmanship of the junior Senator from Michigan [Mr. HART], held hearings on accusations of misleading packaging and labeling.

One of the witnesses was the New York author, Marya Mannes, who is also a housewife. She has commented on some of the problems that face the consumer as she observed that the word "consumer" is sometimes spelled "'s-u-c-k-e-r."

Her testimony took members of the committee through a store, face to face with such adjectives as "new," "improved," "activated," "super," "full," "tall," "giant," "all-purpose," "economy," and "jumbo."

I ask unanimous consent that a portion of the pithy and thought-provoking testimony be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BEFORE THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY, WASHINGTON, D.C., JUNE 28, 1961

My name is Marya Mannes. I am a writer and a housewife. As a writer I sell words and ideas. They are not packaged. The buyer can see exactly what they are and pay what he thinks they are worth. As a housewife I buy what is sold to me. It is packaged. I buy it on faith. That is why, these days, the word consumer is sometimes spelled "s-u-c-k-e-r."

And that is why I stand before you here not as a writer but as a sucker—one of millions who wonder why so much money drains out of the foodbag and the handbag every week, and who then forget about it.

Now, I have always believed that the majority of people were too good to be smart. Ever since we bartered a beaver pelt for 10 eggs, we have assumed that the eggs were fresh and the pelt was supple, for how else can decent business be transacted? Except for the relation between man and wife, nothing is more intimate than the relation between the buyer and the seller—and there would be neither marriage nor commerce if the fundamental basis of both were not trust. Without trust, a civilized society cannot endure. When the people who are too smart to be good fool the people who are too good to be smart, then society begins to crumble. I think this is what is happening now, and I believe it must be stopped before our integrity as Americans is chiseled away as fast as our dollars are.

What am I talking about? I am talking about certain practices in the market which manage to evade the spirit of the law while adhering by an eyelash to the letter of the law. I am talking about what happens when a housewife like myself goes to buy food for her family—and how she spends her money doing it.

And I am talking about the many small deceptions, most of them deliberate, which make a rational buying choice—the basis of free enterprise—meaningless. You can only choose when you know what you are choosing, and the plain truth is that much of the time we don't. That great American institution, the supermarkets—those gleaming palaces of convenience and bounty—have come to be the greatest exercise in planned confusion since the bazaars of Samarkand. If you don't believe me, climb into my pushcart and come around with me, shelf by shelf.

Need some applesauce for the baby? Pick up a few of brand A's new jars. They look just like the old ones. They cost the same. But do you know that the new jar has only 7½ ounces of applesauce while the old one had 7¾ ounces? No? You mean you didn't look at that fine print with your glasses? Now, how about some breakfast food? Well, brand B's old box contained six biscuits and weighed 6 ounces, but when you open the new box which is exactly the same size, you'll find only 5 ounces of biscuits—a drop in contents of about 16 percent. Oh sure, they tell you what's inside the jar or box, but you need a slide rule to figure out the difference. And what housewife with a kid inside the cart and one at her heels can spare the time?

This is confusion No. 1: to make you think you're getting the same value in the same box at the same price when you're actually getting less. If you complain, the manufacturers say that they're saving you a price raise by reducing the contents. Can you beat it?

Confusion No. 2 is in sizes. Know the difference between "giant" and "jumbo"? Between 2-ounce and a big 2-ounce? Between a quart and a full quart? What's a tall 24-inch? What does "extra long" mean? Who's kidding who? And what's the matter with simple sizes, like a pint or 2 pints or a quart or 2 quarts? I'll tell you what's the matter. They're too easy to figure. You might know what you were getting. And that goes for the "economy size" too. What economy? If you stop to figure it out, half the time the price per unit remains exactly the same regardless of size, and you save nothing. It just seems economic to us suckers.

Now, let's stop at detergents, where the giant sizes are. Well, with a box of brand C, giant means 3 pounds 5½ ounces, but with brand D, giant means 3 pounds 1¼ ounces—but both boxes look the same size and cost the same price—77 cents. Are the ingredients of the one so superior to the ingredients in the other that 4 ounces don't matter? And how do you know it, anyway?

Let's move next door to the all-purpose liquid cleaners. With 69 cents you can buy 1 quart of brand E, or 1 pint, 12 fluid ounces of brand F. The shapes are slightly different but they look the same size. Do you know where the 4 ounces go? Do you care?

Want some soap pads? Well, you can buy a box of brand G or a box of brand H for 13 cents, but unless you turn the box upside down and use your bifocals, you won't know that there are only four pads of brand G compared to five pads of brand H. Care about one less pad? Half the time, the quantity of such products is printed in very small type or in a color that merges in the background. Sometimes it's even printed underneath the flap, and you can't see it until you open it. Do you see it even then?

Now, you would think that if packages were different sizes, they'd contain different amounts, but that's because you're congenitally dumb. Brand I, a table salt, is in a box 1 inch taller than brand J, another table salt, but each has exactly 1 pound and 10 ounces in it. And how are you to know if the first box is slightly thinner than the second one? Where was your tape measure?

Then there are the simple devices of not really filling the box or bottle. You open up a cereal, say, and you find an inch or more space on the top—slack-filled, it's called. Or the liquid in a bottle has an inch or more empty space above it. And there's the business of using paper to wrap around crackers or soap and fill the loose space. The manufacturers will, of course, claim these are necessary for safe handling and so forth. But we're paying enough for outer space not to have to pay for inner space, too.

There's another good gimmick to confuse you—funny shapes of bottles that make any real estimate of contents impossible.

Then there are all those lovely phrases like the "new," the "improved," the "activated," the "super," etc. Don't they give you the impression that you were getting a better product, justifying a higher price? Well, half the time you aren't. These words are like the bells the scientists ring to make dogs salivate. You see the word "new" and you reach for it.

For now, you see, there is no salesman any more to tell you what you are getting. In supermarkets the package is the salesman. The more space he takes up on the shelf—that's the reason for "giant" and "jumbo," not economy—the louder his letters scream at you, the sooner you'll notice him. But while he shouts "Buy me!" at you, he also talks doubletalk out of the side of his mouth. And while you put him in your cart, he picks your pocket.

Why? Because you're dumb? Because you're gullible? Because you're careless? Some of us are all of these. But most of us are simply too busy or too tired or too harassed to take a computer, a slide rule, and an MIT graduate to market and figure out what we're buying. And the makers of the goods we buy know this. In fact, they know far more about us than we know about them. They have spent millions of dollars studying us—the consumer. They know what colors and what sizes and what shapes and what words we go for. Compared to them the Big Brother in George Orwell's "1984," who knows all and sees all, is a piker. The big brothers in our society today are not Government dictators—they are the sellers and their brainwashing handmaidens, the behavioral scientists. Together, and under the banner of free choice and open competition, they have made us believe that we are getting what we pay for. Their purpose is that innocent goal of free enterprise—to make an extra buck. But when their profit becomes our loss, how innocent is that goal? And what is our loss?

Not much, you may say. An ounce here, a cent there, and what real difference does it make?

Most of us have learned to accept the added charges of packaging and advertising and distribution along with the product. But must we pay for deception too?

Just take one figure—baby foods again. Remember the brand where you paid the same price as you used to but got a quarter ounce less food? Well, if your baby ate 4 jars of this applesauce or carrot puree a day, he would eat 24 pounds less food per year—without your knowing it. Do you care? Does it matter?

Maybe it doesn't. We are a spoiled and lazy and wasteful people, our paychecks were never higher and so what—that's the way business is done. A little less applesauce, a few less crackers, a few more pennies here and there—who cares?

But it isn't a question of applesauce. It's a question of morality. Little deceptions of single consumers can add up to a mighty deception of a whole people. You may only lose a penny here and there—but the loss in dollars sustained daily by American consumers who pay for more than they get is estimated to be greater than the staggering amount we forfeit to crime and corruption. But it's not sensational. It doesn't fit the headlines. And who is going to bring it to your attention? The press which depends on advertising? Television which owes its existence to products? The makers of the products? As Eliza Doolittle said in My Fair Lady, "Not bloody likely."

Only those whose prime concern is people and not profit can tell us the score: Organizations like the Consumers Union and those agencies of Government who regulate the pure and basic world of weights and measures and law and justice, so that the exchange of goods is a transaction of trust.

But we, the public, have got to want to know the score. If we don't care, nobody else will care. Dishonest practices, because they succeed, will drive out honest practices, because they don't. In the end, our condition depends entirely on us. And I think at last we may be beginning to realize it.

TEXTILE IMPORTS

Mr. MUSKIE. Mr. President, on April 27, 1961, I introduced, with the cosponsorship of 10 of my colleagues, the Orderly Marketing Act of 1961, S. 1735. This proposed legislation is designed to alleviate import problems in the United States resulting from competition with low-wage countries.

One of the industries most seriously affected by low-wage imports has been the textile industry. The President has recognized this problem, and at his direction, the Department of State has initiated a series of negotiations designed to reduce pressure on the domestic cotton textile market. I have urged the President and the Department of State to consider the import quota formula proposed in S. 1735 as a possible approach to sensible and practicable trade agreements with other textile exporting and importing countries.

Under S. 1735, where low-wage imports were found to be injuring domestic industries the President could direct the Department of State to enter into negotiations with exporting countries for import quotas based on their average share of the domestic market. Quotas would be revised annually to reflect the increase in domestic consumption. Such an approach would have the advantage of stabilizing the domestic market, without playing a straitjacket on exporting countries.

One of the more encouraging results of the introduction of S. 1735 has been the healthy and intelligent discussion it has stimulated, especially within the affected industries. One of the best examples of this discussion was a recent letter I received from Mr. James R. Franklin, assistant to the president of the J. P. Stevens Co. The report which Mr. Franklin gave me offers some constructive and thoughtful suggestions which I believe will be helpful to other Members of the Senate in considering trade legislation.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 11, 1961.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: Since receiving your letter of May 23 regarding my letter to the Washington Post and your new bill entitled the "Orderly Marketing Act of 1961," I have conferred with many persons within our company, the textile industry and other industries adversely affected by unrestricted imports.

You asked for our thinking on your bill, S. 1735, and I am pleased to comply with your request by including a few quotes from some of the people I contacted.

A textile industry association wrote that no action regarding S. 1735 had been taken within that group because "we have been fully occupied preparing our statement for presentation to OCDM and other governmental departments mentioned in the President's seven-point program. It is not likely we will be in a position to support any legislation until we have exhausted the possibilities under the President's recommendations."

A leading association of many industries interested in greater safeguards for American industry affected by foreign trade wrote, in part, as follows:

"The general purposes of the bill predispose me (personally) to favor it. Furthermore, its premise, set forth in section 2, and elaborated by Senator MUSKIE in the Senate on April 27, is the same as that underlying the proposals the council has been formulating to assure fair competition between foreign and domestic goods.

"The bill's distinctive feature is the provision authorizing the United States to enter into quota agreements with other countries. These are described in the bill as 'orderly marketing agreements,' but, if effective, they would probably result in shifts in production here and abroad, inasmuch as producers of the affected goods would avoid piling up undisposable surpluses.

"The agreements envisioned in the bill would affect the U.S. domestic market only. However, multilateral negotiations of this kind are difficult to confine to one market and, in practice, would undoubtedly result in world realinement of markets. In this respect the most nearly analogous situation is probably the sugar agreement and our implementing Sugar Act which governs the foreign and domestic shares of the U.S. market, but which influences world production and marketing in some degree.

"Advantages of such arrangements are:

"1. The foreign producing countries are assured of a share in the U.S. market, which they are not under tariff arrangements, and, of course, this benefit also applies to the U.S. producing organizations.

"2. The arrangements are entered into on a voluntary basis which may be less disruptive of international good will than unilateral approaches. However, it must be recognized that an agreement, while freely entered into by a foreign country, would be at U.S. insistence and so is not completely 'voluntary.'

"3. The U.S. Government is expressly authorized to enter into an agreement which otherwise might violate antitrust laws as being in restraint of trade.

"4. A firm agreement is less open to misunderstanding and possible recrimination than, for example, the present voluntary arrangements of Japan which are actually unilateral undertakings on her part.

"Assuming the bill is acceptable in principle, the procedures are commendable. The Tariff Commission and the executive departments are assigned their proper roles, and the preliminary and review procedures seem effective and fair.

"The standards and criteria of injury raise some questions. The essential allegation (sec. 3(a)) is a 'differential between domestic and foreign costs of production,' which the Tariff Commission has found increasingly difficult to determine in recent years. Actually the bill is so worded that the Commission does not have to find whether the allegation is proved or not by the investigation. Rather, it is actually an application for relief, and the Commission's investigatory, finding and recommendatory directives (sec. 3(b)) are separate and cover other matters than those alleged.

"The chief problem is how the Commission interprets the language of section 3(d) (p. 3, lines 22–25; p. 4, lines 1–7). Words requiring judgment are 'significantly,' 'substantial,' 'increasing,' 'decreasing,' and 'reducing.' The last three can be considered as absolutes, whereas many times injury occurs to a domestic industry from relative conditions. For example, a U.S. industry that maintains its domestic sales and employment levels while imports absorb an expanding domestic market is being injured because it is not sharing in the expansion.

"Neither 'injury' nor 'industry' is defined and, as you know, these terms are currently the crucial and bothersome ones in the Commission's consideration of escape clause applications.

"On the formula for quotas and their method of application, I cannot form a valid opinion. They seem fair, but the best way of ascertaining how fair they would be in practice would be to have a number of industries report how the procedures would work in their particular cases. One effect would be to freeze the historical supplying pattern for the life of the agreement. It might be advisable to allow a small portion of the total quota to be allocated to countries that are potential, but not historic, suppliers.

"S. 1735 appears to stand on its own feet. It does not amend, or relate to, current tariff or trade agreement laws. It violates concepts of the General Agreement on Tariffs and Trade, which forbids quotas, even voluntary ones, except for balance-of-payments or industrial-development reasons. The fact that the bill runs counter to GATT is not a criticism. I raise the question only to point up that the bill will cut across present laws and commitments of the United States and I believe a decision would have to be made whether to try to accommodate it in present law or to expand it as a substitute. I would hope the latter.

"As I noted earlier the bill provides only for regulating the domestic market yet can hardly avoid affecting trade elsewhere. This situation brings up questions that are sure to concern this council. Is the inevitable result of the bill's approach the creation of international commodity agreements covering manufactured products as well as raw materials? Would pricing agreements follow with cartelization of production and marketing? Would we be entering a planned economy era on an international scale? If so, the principle of comparative advantage, to which Senator MUSKIE refers in his April 27 Senate speech, might enter again in full force.

"These questions would need to be answered before a decision on S. 1735 could be reached by our group.

"In the meantime, we are most grateful to Senator MUSKIE for initiating an imaginative, fresh approach to this complicated problem."

I read in the daily press portions of the State Department letter you received in response to your request for information regarding State's reaction to S. 1735. I am interested in the final conclusions State may reach.

I appreciate the kind words you expressed in your May 23 letter regarding my letter to the editor of the Post and also I want you to know of my appreciation for your support of the June 22 congressional letter to the President which you and 38 of your Senate colleagues and 124 Members of the House signed.

With best wishes.

Sincerely yours,

JAMES R. FRANKLIN,
Assistant to President, J. P. Stevens & Co., Inc.

MEDIA FOR CULTURAL EXCHANGE—DANA COLLEGE CHOIR

Mr. CURTIS. Mr. President, in our discussions of the several media for cultural exchange, I want to make note of the many fine things which are being done in this area by voluntary organizations. To me, these endeavors transcend any activity of Government, for they are self-supporting and their motives are the highest.

I would like to call to the attention of my colleagues a tour which has been undertaken this summer by the Dana College Choir of Dana College, Blair, Nebr. This college, an excellent academic institution and one supported handsomely by its church, has sent a group of 48 collegians on a 5-week concert tour of Denmark. They have made numerous public appearances and, to use our vernacular, had a hit in all their appearances. The fact that they can perform songs dear to the hearts of our Danish friends in the native tongue makes this an especially moving series of concerts.

Typical of the reaction which improves this Nation's stature is an expression made by a gentleman residing in Copenhagen after meeting with and hearing the Dana College Choir:

It is amazing what a false impression of America and American youth we have received. We expect you to appear in black leather jackets with huge knives strapped to your sides. Instead you come to us neatly clothed in red, our native color, with your beautiful college seal and the motto, "Truth Conquers." This group is indeed the best example of America and we need more like them.

Again my faith in our free institutions is revived when I take note of the great successes of this fine organization. I am reminded that suggestions of programs such as a Peace Corps may have an emotional appeal, but can they possibly exceed the wonderful work which has been done by American missionaries of all faiths since the foundation of our many churches in this country. I want to express my warmest regard for the fine work being done in this tour by Dana College and to remind that relations abroad are not made entirely within the limits of governmental programs.

U.S.S. "ARIZONA" MEMORIAL

Mr. FONG. Mr. President, on June 27, the Governors' conference held in Honolulu, Hawaii, unanimously adopted a resolution constituting the U.S.S. *Arizona* Memorial a national project and also urging the Congress to expedite favorable consideration of S. 180 and H.R. 44, both measures proposed for the purpose of authorizing appropriations necessary to complete the memorial.

The resolution was adopted at the poorly marked grave of the 1,102 crewmembers who are still in the U.S.S. *Arizona* at the bottom of Pearl Harbor. It was the hope of the many State Governors present at this unusual session of the Governors' conference that funds would be provided for the completion of this badly needed grave marker. I share this hope.

On July 11 of this year, the House Armed Services Committee reported favorably H.R. 44, a bill which would authorize the appropriation of $150,000 for the U.S.S. *Arizona* Memorial. I hope my colleagues in the Senate will give early and favorable consideration to my bill—S. 180—which is substantially the same as H.R. 44.

I ask unanimous consent that the full text of the resolution adopted by the Governors' conference be printed in the RECORD at this point, together with the remarks of Rear Adm. Robert L. Campbell, commandant of the 14th Naval District, at Memorial Day services aboard the U.S.S. *Arizona*.

There being no objection, the resolution and remarks were ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED AT THE 53D ANNUAL MEETING OF THE GOVERNORS' CONFERENCE IN EXTRAORDINARY SESSION AT PEARL HARBOR, HAWAII, JUNE 27, 1961

Whereas more than 19 years have passed since the battleship *Arizona* was sunk, its flag still flying, in the surprise attack of Pearl Harbor; and

Whereas nearly one-third of the 3,600 military personnel killed in that attack still lie in the *Arizona*, their tomb and their shrine; and

Whereas the old hulk, mostly below water, is rusting badly; but even with the maintenance which it requires, the ship alone would be poor memorial to these men from 48 States of our great Nation, and an unsuitable focal point for patriotic remembrance; and

Whereas more than $350,000 has been raised by the Pacific War Memorial Commission of Hawaii in private donations and in contributions by the State of Hawaii for erecting a permanent memorial above the ship; and

Whereas preliminary construction of the structure has already been accomplished; and

Whereas legislation has been introduced in the Congress to authorize appropriation of up to $135,000 to complete the project; and

Whereas the memorial will not only provide appropriate tribute to the deceased men of the *Arizona* but it will also stand as a national memorial to eternal vigilance against the dangers of surprise attack: Now, therefore, be it

Resolved by the Governors' conference (in extraordinary session assembled at the site of the final resting place of the U.S.S. Arizona), That the U.S.S. *Arizona* Memorial constitutes a national project in every sense of the word; and be it further

Resolved, That the Congress of the United States make every effort to expedite said appropriation by favorable consideration of S. 180 and H.R. 44, in order that the timetable could be met so that formal dedication services of the U.S.S. *Arizona* Memorial could be held on December 7, 1961, the 20th anniversary of Pearl Harbor; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the Vice President, the Speaker of the House, and to the chairmen of the Armed Services Committees of the U.S. Senate and House of Representatives.

REMARKS BY REAR ADM. ROBERT L. CAMPBELL, U.S. NAVY, COMMANDANT, 14TH NAVAL DISTRICT AT MEMORIAL DAY SERVICES, MAY 30, 1961, ABOARD U.S.S. "ARIZONA," PEARL HARBOR, HAWAII

On this spot almost 20 years ago, the United States was literally exploded into World War II.

In the holocaust which resulted 1,176 officers and men lost their lives in one ship—U.S.S. *Arizona*.

Of those killed on December 7, 1941—2,403 including military and civilians—more than half were in this ship.

As a result, the *Arizona* has become a symbol of all those who gave their lives that day.

What this landmark represents—Pearl Harbor Day and its dead—will forever be prominent in the world's violent history.

Ironically, it is our first World War II dead, who are the last to be given a suitable marker for their common grave.

What you see here today is a relatively simple concrete platform. What you cannot see:

1. The years of work and effort already expended.

2. The concrete pilings driven over 140 feet deep into the harbor floor, to support the pile caps, the heavy girders and the very deck on which we are.

3. That the major portion of the *Arizona* Memorial is completed in terms of cost, and in terms of engineering and construction difficulties.

The funds for what has been accomplished have been made available through the efforts of the Pacific War Memorial Commission, through an appropriation by the legislature of the 50th State, through generous donations by the Fleet Reserve Association and

the American Veterans of World War II (AMVETS)—all of whom are represented here today—through the Ralph Edwards' production, "This Is Your Life," and the Elvis Presley benefit show and through tens of thousands of smaller contributions, many by visitors who have come to Pearl Harbor.

What of the future?

Just last week we learned that Congress may soon consider favorably a bill for funds to complete the memorial.

So we hope that today you are witnessing the last Memorial Day ceremony on an open platform.

It is our hope that by December 7 you will see the walls, the roof, and the configuration of the *Arizona* Memorial rising above this platform.

We hope that all of you will be here to see the culmination of many years' effort.

We hope, also, that you will not miss the significance and the symbolism of the *Arizona* Memorial.

At the least, it will be a suitable grave marker.

More important, it is a tribute and an acknowledgment of gratitude to the Navy and Marine officers and men who gave the supreme sacrifice for our country throughout the Pacific.

Of greatest importance, the *Arizona* Memorial will serve as "the *Arizona* reminder" to our American citizens to keep strong and ready in a troubled world.

The future will test us severely.

To fail the test of the future would be to have failed our lost shipmates of December 7, 1941.

We could not fail to build an *Arizona* Memorial.

However, an even greater monument to our war dead will be to meet the challenge of the future with moral and military strength.

Memorials are not only for the dead.

They are for the living, for those who must remember.

The challenge is therefore upon all of us to gird ourselves with courage and devotion to meet the inevitable tests yet to come.

To keep the United States strong and victorious—this is our greatest tribute and monument to our war dead; not only our dead of Pearl Harbor, but our dead who are buried in other parts of the world.

We honor them here today by being here.

It is our sacred duty to honor them by our deeds in the future.

FEDERAL AID TO EDUCATION

Mr. SCHOEPPEL. Mr. President, much has been said, both for and against, the Federal aid to education bill that passed the Senate over my protest on May 25, and has now met considerable opposition in the House of Representatives. I pointed out on the floor of the Senate, as did many of my colleagues, that the States and local communities have been doing a good job of meeting their public school requirements without Federal assistance.

Mr. President, I ask unanimous consent to have printed as part of my remarks an excellent editorial, "Flunking the Test," from the July 14 issue of the Wall Street Journal, which emphasizes some of the facts I have previously been pointing out to this body.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FLUNKING THE TEST

Almost everyone agrees that the administration's proposed program of Federal aid to education is in trouble on Capitol Hill, but we didn't realize how tough things were until we came across this last-ditch plea in the New Republic:

"Many States and localities have reached the limits of their borrowing capacity; their overall debt has increased 400 percent since the war, that of the Federal Government only 8 percent. They must have Federal aid. More and more economists cite education as a means to reduce unemployment and boost our social capital."

These alarmist views are frequently heard from supporters of Federal aid, but they fall far short of reality.

Some States have hardly any official indebtedness. Altogether, State and local debt totals some $64 billion; that of the Federal Government, which has gone up only 8 percent since the war, is $289 billion.

According to a 1959 survey by the U.S. Office of Education, only one-half of 1 percent of all school districts in the United States have reached the limit of their available bonded indebtedness for school construction. In 1960, the volume and approval rate of school bonds set new records at elections: The amount, $1.7 billion; the approval rate, 82 percent.

Interestingly enough, moreover, no State legislature has ever asked the Federal Government for school aid. Nor has a local school board official ever testified in favor of a Federal-aid bill. Instead, the States and localities have gone ahead in recent years building classrooms at the rate of some 68,000 annually—a pace that could result in a classroom surplus by the end of the decade rather than the lamented shortage.

There are a number of reasons, some of them irrelevant, why the Federal-aid proposal is in trouble in Congress. But undoubtedly one reason is that the weak arguments raised in its behalf simply flunk the test of fact.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business?

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1154) to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges.

Mr. MANSFIELD. Mr. President, under the unanimous consent agreement arrived at on Wednesday, it is my understanding that at the conclusion of the morning hour there would be an immediate vote on the Mutual Educational and Cultural Exchange Act of 1961.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays on the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further morning business?

Mr. MANSFIELD. Mr. President, I had asked previously——

Mr. GOLDWATER. Mr. President——

Mr. MANSFIELD. I had asked if morning business was concluded, and I understood that it had been concluded. That is what I understood the Chair to announce.

Mr. GOLDWATER. That was not the understanding I had with the minority leader. Both the Senator from New York and I have other morning business to transact. Is it the intention to resume morning business after the vote on the pending bill?

Mr. MANSFIELD. Yes; it will be resumed.

Mr. GOLDWATER. I understood the majority leader to ask whether there was further morning business.

The PRESIDING OFFICER. The Chair misunderstood the majority leader. Morning business had not been closed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that morning business be concluded at this time, that the Senate proceed to vote on the pending bill, and that at the conclusion of the vote on the bill morning business be resumed.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the passage of S. 1154, the educational and cultural exchange bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SMATHERS (after having voted in the affirmative). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. Were he present and voting, he would vote "yea"; were I permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mr. MORSE], the Senator from Massachusetts [Mr. SMITH], the Senator from Mississippi [Mr. STENNIS], and the Senator from Missouri [Mr. SYMINGTON], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. MCGEE], the Senator from Massachusetts [Mr. SMITH], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Mississippi [Mr. STENNIS], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is absent because of illness.

The Senator from Delaware [Mr. BOGGS], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Kentucky [Mr. MORTON], are necessarily absent.

If present and voting, the Senator from Delaware [Mr. BOGGS], the Senator from

Indiana [Mr. CAPEHART], and the Senator from Kentucky [Mr. MORTON], would each vote "yea."

The result was announced—yeas 79, nays 5, as follows:

[No. 99]

YEAS—79

Aiken	Fulbright	Metcalf
Allott	Gore	Miller
Anderson	Gruening	Monroney
Bartlett	Hart	Moss
Beall	Hartke	Mundt
Bennett	Hayden	Muskie
Bible	Hickenlooper	Neuberger
Bridges	Hickey	Pastore
Burdick	Hill	Pell
Bush	Holland	Prouty
Byrd, Va.	Hruska	Proxmire
Byrd, W. Va.	Humphrey	Randolph
Carlson	Jackson	Russell
Carroll	Javits	Saltonstall
Case, N.J.	Jordan	Schoeppel
Case, S. Dak.	Keating	Scott
Church	Kefauver	Smith, Maine
Clark	Kerr	Sparkman
Cooper	Kuchel	Talmadge
Cotton	Lausche	Wiley
Curtis	Long, Mo.	Williams, N.J.
Dodd	Long, Hawaii	Williams, Del.
Douglas	Magnuson	Yarborough
Dworshak	Mansfield	Young, N. Dak.
Engle	McCarthy	Young, Ohio
Ervin	McClellan	
Fong	McNamara	

NAYS—5

Goldwater	Robertson	Tower
Johnston	Thurmond	

NOT VOTING—16

Boggs	Eastland	Smathers
Butler	Ellender	Smith, Mass.
Cannon	Long, La.	Stennis
Capehart	McGee	Symington
Chavez	Morse	
Dirksen	Morton	

So the bill (S. 1154) was passed.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I cannot let this occasion pass without expressing my profound admiration for the distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations, for his fine accomplishment in creating S. 1154 and steering it through this body to final passage.

There has been abundant evidence for some time that there was confusion and duplication of effort within the executive branch in terms of operating our exchange programs under no fewer than six major pieces of legislation and within virtually as many departments and agencies.

Many people most intimately concerned with our exchange programs—whether in the executive branch or the Congress, or serving in the various advisory groups—have long expressed the need for improvements in these programs. There has been a crying need for improved methods of financing the programs, for better coordination, and for the lifting of restrictions which have hampered our efforts to date. No one has pretended that this is a simple task.

The distinguished chairman of the Foreign Relations Committee has, I believe, rendered his country a great service in presenting us with the bill which we have just approved. Drawing on his long and intimate experience with the exchange programs, he has done a superb job of reducing an extremely complex collection of existing statutes to one consolidated and clear basic document.

Mr. President, it is no accident that this latest legislative initiative should have come from the distinguished Member of Congress who was the first to originate legislation in this field. I am confident that this new Fulbright program will deservedly be as famous an instrument for mutual understanding around the world as was the original Fulbright Act. It is my sincere hope, Mr. President, that S. 1154, when enacted, will carry the name of the distinguished chairman of the Committee on Foreign Relations, and I know that an overwhelming number of Senators will join me in this expression of hope and appreciation for the outstanding service rendered by the Senator from Arkansas, not only to his country, but to the entire free world.

Mr. CASE of South Dakota. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. CASE of South Dakota. I wish to join in the tribute paid by the distinguished majority leader to the leadership offered and given in this instance by the distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations. I have thought many times that of all the legislation Congress has enacted to meet the challenges of the present day, the so-called Fulbright Act and the Smith-Mundt Act have been in the very forefront. In paying tribute to the Senator from Arkansas [Mr. FULBRIGHT], I know that neither he nor the Senator from Montana [Mr. MANSFIELD] will resent my saying also that I think tribute is due my colleague, the senior Senator from South Dakota [Mr. MUNDT], for his work originally on the Smith-Mundt Act, which was passed in the 80th Congress. Former Senator Smith of New Jersey and my senior colleague [Mr. MUNDT] joined together in working for the enactment of the Smith-Mundt Act, which buttressed and supplemented the program which was developed by the Senator from Arkansas [Mr. FULBRIGHT].

During the past week, there has been considerable debate on the floor of the Senate on various provisions of the bill. I am sure the Senator from Montana will agree with me that my senior colleague [Mr. MUNDT], in offering various amendments, was fulfilling the obligations which he felt rested upon him, from his viewpoint, in seeing to it that this measure, which consolidates the several existing programs, would have the benefit of the experiences with the operation of that act, as he views them; and by means of the amendments he submitted and fought to have the Senate adopt—and in that connection I have particularly in mind the amendment in regard to the loyalty oath and other amendments—I am sure my senior colleague made important contributions which will help make this new act fulfill all of the promise and all of the achievements of the previous acts, and, we hope, will make for a better program in the days immediately ahead.

Mr. MANSFIELD. Mr. President, I agree wholeheartedly with what the distinguished Senator from South Dakota has just now stated.

As a member of the Smith-Mundt committee, when it toured Europe at the conclusion of the Second World War, and as one who served on the Foreign Affairs Committee of the House of Representatives with the distinguished Senator from South Dakota [Mr. MUNDT], when both of us were Members of that body, I am fully aware of the many great contributions he has made; and I am delighted that he also played a very important part in connection with the passage of this measure, through his constructive criticism and through the offering of his amendments, by means of which he sought to strengthen and make more understandable, in one document, the measure the Senate recently has passed.

So I think the Senator from South Dakota [Mr. MUNDT] is entitled to great credit for his outstanding interest through the years and for the constructive part he took in the promulgation of this measure.

Mr. FULBRIGHT. Mr. President, will the Senator from Montana yield?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator from Montana yield to the Senator from Arkansas?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. I cannot refrain from expressing my appreciation to the Senator from Montana for his very generous words.

I must say this measure was certainly not just my creation. The bill originated in meetings last fall; and many persons in private life, as well as many Members of this body, contributed a great deal of time and effort to it. I played only a small part in the development of the bill.

I certainly wish to join the Senator from Montana in expressing our appreciation to the Senator from South Dakota [Mr. MUNDT], not only in this connection, but also because of his sponsorship of the previous act, which, as the Senator from South Dakota [Mr. CASE] has said, originated in the 80th Congress.

I am certainly pleased with the result of the vote of the Senate; and I hope this bill will bring greater order and efficiency into the administration of this important activity.

Mr. MANSFIELD. I thank the Senator from Arkansas.

Mr. LAUSCHE. Mr. President, in connection with the cultural exchange bill, I wish to make reference to a statement made by Mr. Edward R. Murrow, USIA Chief on Sunday, July 2, during his participation in the ABC program entitled "Issues and Answers."

A part of the colloquy between Mr. Murrow and the panel members, Mr. Edward P. Morgan and Mr. Lew Shollenberger, dealt with our cultural exchange program. Mr. Morgan propounded a question as follows:

ED. What is your philosophy on exchange programs on a broader basis? This is a very unique one that we have been talking about. But this people-to-people exchange

that we have been committed to is fascinating to me, and I think there is a great deal of validity in it, but perhaps the emphasis has been backward, perhaps we should do it in terms of establishing universities in other countries rather than bringing people here. What are your thoughts about that?

Mr. MURROW. Well, this as you know is outside the purview of this Agency, because it is handled by the State Department. However, I agree with you that in the past we have tended too much to believe that if we bring huge masses of foreign students to this country, the net result must necessarily be good. I think the whole program should be reexamined and in certain countries, such as India, certain of the African countries, I think we might much better serve their interests were we to provide them with the wherewithal for teacher training institutes, perhaps for vocational schools, so that they can train the essential personnel in their own country, rather than shipping great masses of them abroad, because in many cases the foreign students who come to this country and to Western Europe, you both know from personal experience, become to a degree denationalized. They are reluctant to go back to their own countries.

If they do go back, they are rather inclined to stay in the urban centers, rather than going out to the villages where their services are required. I think a reexamination of this whole program is in order.

Mr. President, I concur with the views as expressed by Mr. Murrow that the whole overseas exchange program should be reexamined.

We just passed the Educational Cultural Exchange Act of 1961. I hope that before legislation on this subject again comes before the Congress, both the agency administering the act and the Congress will have reexamined the whole program and its effectiveness, and make recommendations for its improvement. In light of the remarks made by Mr. Murrow and facts brought out during the Senate debate on the pending bill, I feel that a reappraisal is due and necessary.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, earlier today I asked the distinguished majority leader to continue over until later—perhaps for as long as a week—consideration of Calendar No. 399, the oceanographic research and survey bill, otherwise scheduled to be taken up this afternoon.

In view of that request, I wonder whether the distinguished Senator from Montana will indicate to the Senate the plans for today and for the first of next week.

Mr. MANSFIELD. In response to the question asked by the distinguished acting minority leader, let me say I have discussed the matter with the distinguished chairman of the Commerce Committee [Mr. MAGNUSON] and with the ranking minority member of that committee [Mr. SCHOEPPEL]; and, at their request, the Senate will take up the oceanographic bill probably later next week.

It is anticipated that this afternoon the Senate will take up, instead, the conference report on the water pollution control bill, a bill reducing temporarily the exemption from duty enjoyed by returning residents, and the bill which deals with the longevity provisions for postal employees.

I do not anticipate—although I cannot guarantee it—that there will be any further yea-and-nay votes this afternoon. But the prospects look pleasing, and I think the Senate should be so informed.

TRANSACTION OF ROUTINE BUSINESS

The PRESIDING OFFICER. Let the Chair announce that pursuant to the previous order, the Senate will now resume morning-hour business.

MONTANA HAS STAKE IN DAKOTA'S CENTENNIAL

Mr. MANSFIELD. Mr. President, this summer our good friends and neighbors in North Dakota and South Dakota are celebrating the centennial of the Dakota Territory.

The observance of this important occasion is of vital interest to the State of Montana. Not only are there close kinship and interstate communication between Montanans and the people of the Dakotas, but there is also a very close historical tie which links together these three States. At one time, all of Montana east of the Continental Divide was a part of the Dakota Territory. The Dakota Territory was formed in 1861, and included the present States of North Dakota and South Dakota and parts of the present-day Montana and Wyoming.

Both States have a heavy schedule of events planned for this observance; and it is something that everyone will want to check into, should he be traveling in the West this summer or early fall.

The Dakotas have a very colorful past; and these 100 years are a testimonial to the wonderful and industrious people who live in the Dakotas today, and who are so ably represented by their Senators—Senators MILTON YOUNG and QUENTIN BURDICK, of North Dakota; and Senators KARL MUNDT and FRANCIS CASE, of South Dakota. It is a real pleasure to serve with these men, and it is a great honor for the people of Montana to share in the Dakota Territory Centennial.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks in the CONGRESSIONAL RECORD an article from the Sunday magazine section of the Great Falls Tribune for July 9, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MONTANA HAS STAKE IN DAKOTA'S CENTENNIAL—VAST STATE AREA ONCE IN TERRITORY

Many Montanans are watching with interest this summer's observance by the neighboring States of North and South Dakota of the centennial of Dakota Territory.

The event is of special interest to those eastern Montanans who live not far from the borders of the two Dakotas and to many who are former residents of the two States to the east.

But proximity and former associations are not the only reasons for this interest. Historically, Montana is closely linked with the Dakotas. All of Montana east of the Continental Divide once was part of Dakota Territory.

Further, the Dakota centennial serves to remind Montana that its 100th anniversary of achieving Territorial status is only 3 years away.

Dakota Territory was formed March 2, 1861, and included the present States of North Dakota and South Dakota, as well as parts of present-day Montana and Wyoming. President Abraham Lincoln appointed Dr. William Jayne the first Territorial Governor in April of that year. Jayne had been Lincoln's physician.

In 1862, the first territorial legislature met in Yankton, now in South Dakota.

Previously, the vast area included in Dakota Territory had been under the flags of France, Spain, and Great Britain. It later was under the jurisdiction of seven territories—Louisiana, Missouri, Michigan, Wisconsin, Iowa, Minnesota and Nebraska.

The name of Dakota Territory was taken from the Sioux Indian language. "Dacotah" means "many in one," and was roughly translated as "an alliance of friends."

When the first Territorial legislature met in Yankton, there were less than 2,500 whites in all the area.

One of the first laws of Lincoln's administration was the Homestead Act, and a land office was opened at Vermillion, now in South Dakota, April 8, 1861. On January 1, 1863, at 12:01 p.m., Mahlon Gore filed a claim on land near Vermillion. It was the first in Dakota Territory and the first in the United States.

The Homestead Act was the tocsin of the Sioux Nation. Increasing settlement ignited the Sioux outbreak in 1862, which was ended by a council at Old Fort Sully in 1865.

Hostilities were renewed almost immediately the same year, though, with the Red Cloud war and attacks on pioneers using the California Trail through the Territory.

Under the treaty of 1886, the Sioux won the land west of the Missouri River as a permanent hunting ground. The United States pledged this land would belong to the Sioux as long as the "grass is green and rivers shall run."

But Lt. Col. George Armstrong Custer, a man with ambitions, discovered gold on French Creek in the Black Hills in 1874 and broadcast the fact widely to eastern newspapers before notifying his superiors.

The news touched off a wild gold rush to "the richest 100 miles on earth" and by 1876, Deadwood Gulch was a roaring settlement of 25,000. Crazy Horse and the Sioux exacted some satisfaction from Custer and the 7th Cavalry at the massacre on the Little Big Horn River, in present Montana, on June 25 of that year.

Gold brought the railroads and a new wave of settlers. When President Benjamin Harrison issued a proclamation admitting South Dakota to the Union on November 2, 1889, it had over 300,000 people. North Dakota was admitted to the Union that same day. Bismarck, which had become the Territorial capital in 1883, became the North Dakota capital and Pierre became South Dakota's capital.

November 8, 1889, 6 days after the Dakotas were admitted to the Union, President Harrison signed a proclamation admitting Montana as the 41st State.

Montana, east of the divide had been severed from Dakota Territory in 1863, when the Territory of Idaho was formed. A year later Montana Territory was created, including the territory taken from Dakota and the present area west of the divide which had previously been in Oregon and Washington Territories.

Both the Dakotas got their centennial celebrations underway in early spring and the festivities will continue into September.

Today, July 9, military units from North and South Dakota will participate in an observance in South Dakota's Forest Sisseton State Park.

Two outdoor dramas are being staged through the summer in North Dakota. "Old Four Eyes," the story of Theodore Roosevelt's life as rancher in the North Dakota badlands in the 1880's is being presented four times weekly until September 4 at a natural outdoor theater near Medora, not far from the Montana line on U.S. Highway No. 10.

"Trail West" the story of General Custer and his trek that ended in death in Montana, is being presented five times a week in Fort Lincoln State Park south of Mandan.

South Dakota has centennial jubilees scheduled at Armour, today through July 11; Isabel, August 5 and 6, and White River, August 18 and 19. The most ebullient event, however, will be Gold Rush Day August 27 near Huron, where spectators will dig for more than $35,000 in cash and merchandise buried in the ground.

In addition both States have had and will be having numerous concerts, rodeos, and local celebrations in honor of the territorial centennial.

Mr. CASE of South Dakota. Mr. President, will the Senator from Montana yield briefly?

Mr. MANSFIELD. I am delighted to yield.

Mr. CASE of South Dakota. I merely wish to say that those of us who live in the Dakotas appreciate the generous recognition by the distinguished majority leader of the Dakota centennial. This summer we are having a series of observances in the Dakotas; and I wish to join the Senator from Montana in suggesting that any Senators or others who may be traveling west during the summer or fall will find these events most worth while. One or more of them can be enjoyed by visitors at any given time; and all will be most welcome.

FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS OF 1961—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6441) to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 13, 1961, pp. 12471–12475, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KERR. Mr. President, I request the adoption of the report.

I ask unanimous consent to have printed at this point in the RECORD a brief statement in explanation of the action taken by the conference committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KERR

The report is signed by a majority of the conferees on the part of the House and the Senate, and the report has been accepted by the House of Representatives.

The Senate amendment strikes out all of the House bill after the enacting clause and inserts a substitute. The House receded from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The major differences between the House bill and the substitute agreed to in conference are noted in the following statement.

FIRST SECTION

The House bill amended subsection (b) of the first section of the Federal Water Pollution Control Act to strike out the specific reference to boundary waters of States and added a clause stating that nothing in the Federal Water Pollution Control Act should be construed as impairing or affecting the power authority and jurisdiction of the States to enforce State water pollution control laws and regulations. The Senate bill made no such amendment.

The conference substitute does not make these amendments to existing law.

SECTION 2

The Senate amendment amended section 2 of the Federal Water Pollution Control Act to add a new subsection (b) which would grant authority to Federal agencies to include capacity in reservoirs for water quality control. This capacity is not to be a substitute for adequate treatment of sewage. A determination would be made of the benefits of such capacity and an appropriate share of the cost allocated to this purpose. Beneficiaries would be determined and if the benefits are widespread or national in scope, the costs of such capacity would be nonreimbursable.

The House bill did not contain such a provision.

The conference substitute adopts the amendment of the Senate.

SECTION 3(a)

The House bill amended section 4(a)(4) of the Federal Water Pollution Control Act to remove the limitation that not more than $100,000 could be used to establish and maintain research fellowships.

The Senate amendment did not remove this limitation.

The conference substitute would remove this dollar limitation but would require an annual report by the Secretary to the appropriate committees of Congress on his operations under that provision of law.

SECTION 3(b)

The Senate amendment added a new subsection (d) to section 4 of the Federal Water Pollution Control Act. This new subsection would require the development and demonstration by the Secretary of (1) practicable means of treating sewage and other wastes to remove the maximum amounts of pollutants in order to maintain the Nation's water at a quality suitable for repeated reuse, (2) improved methods of identifying and measuring pollutants, and (3) methods for evaluating the effects of augmented streamflows to control pollution not otherwise susceptible to abatement. An authorization for these purposes of not to exceed $5 million per fiscal year with a total limitation of $25 million is also provided by the amendment.

The House bill contained no such provision.

The conference substitute is identical to the Senate amendment.

The Senate bill amended section 4(a) of the Federal Water Pollution Control Act by providing for the establishment of research and field demonstration facilities with an authorization for the appropriation of not more than $10 million. This amendment was deleted because it was concluded that sufficient authority for such facilities were contained in subsection (e) of section 4 of the Senate bill and subsection (d) of section 4 of the House bill. These subsections would authorize the establishment and maintenance of field laboratory and research facilities, including, but not limited to, one in the Northeast area, one in the Middle Atlantic area, one in the Southeast area, one in the Midwest area, one in the Southwest area, one in the Pacific Northwest, and one in Alaska.

The House bill amended section 4 by adding a subsection calling for research and technical development work, and make studies, with respect to the quality of waters of the Great Lakes, including an analysis of water quality under varying conditions of waste treatment and disposal. The Senate bill contained no such provision. The conference substitute is identical to the House amendment.

SECTION 4

The House bill increased grants to States and interstate water pollution control agencies for the operation of their programs from $3 million to $5 million and extended the authorizations through June 30, 1971.

The Senate amendment is the same as the House bill in this respect except that the authorization is extended only through June 30, 1966.

The conference substitute is the same as the House bill except that the authorization is extended only through June 30, 1968.

SECTION 5

The House bill amended subsection (b) of section 6 of the Federal Water Pollution Control Act to provide that no construction grant shall be made for any project in an amount exceeding whichever of the following is smaller (1) $800,000, or (2) the total of 30 percent of the first $1 million of the reasonable cost of the project as determined by the Secretary, plus 15 percent of the next $2 million of such cost, plus 10 percent of the remainder of such cost.

The Senate bill amended the same provision of law as the House bill to provide that no grant shall be made for any project in an amount exceeding 30 percent of the estimated reasonable cost thereof, or in an amount exceeding $500,000, whichever is smaller.

The conference substitute is the same as the Senate amendment with exception that the amount of $500,000 is increased to $600,000, and the multiproject limitation of $2,400,000, as contained in the House bill, was retained.

SECTION 5(b)

The House bill amended subsection (b) of section 6 of the Federal Water Pollution Control Act to provide that no grant should be made for any project under that section in an amount exceeding $250,000 until a grant had been made for each project (1) for which an application was filed with the appropriate State water pollution control agency prior to the date of enactment of amendment and (2) which meets the requirements of the section and regulations thereunder as in effect prior to such date of enactment. The Senate bill contained a similar provision.

The conference substitute is the same as the House bill with the exception that the priority given by this amendment has been extended to all those smaller projects for which applications are filed before 1 year after the date of enactment of this amendment.

SECTION 5 (C)

The House bill amends subsection (c) of section 6 of the Federal Water Pollution Control Act to provide that if an allotment to a State is not obligated within 6 months after the end of the fiscal year for which it was made because of a lack of approved projects then the Secretary can reallocate those unobligated amounts on a reasonable and equitable basis. These reallocated amounts are to be available for projects approved for grants before the end of the fiscal year following the fiscal year for which the original allotment was made.

The Senate amendment provides for the reallocation of sums allotted to a State not obligated at the end of the fiscal year following the fiscal year for which they were allotted because of a lack of approved projects. The reallocation shall be to those States having approved projects for which grants have not been made because of a lack of funds with the exception that whenever the Surgeon General finds that the need for a project in a community in the State is due in part to Federal institutions or Federal construction activity, he may, before making any reallotment, make an additional allocation to the project which will reflect an equitable contribution for the need caused by the Federal activity.

The conference substitute is essentially the same as the Senate amendment with the exception that the States are given 18 months to obligate their allotment as provided in the House bill, rather than 24 months provided in the Senate amendment. In addition, the conference substitute makes it clear that an additional grant may be made to a project in a State by the Secretary because of a Federal activity in that State only from funds allotted to that State which are subject to reallotment because of a lack of approved projects in that State.

SECTION 5(d)

The House bill amended subsection (d) of section 6 of the Federal Water Pollution Control Act to increase the amount authorized for grants from $50 million to $100 million per fiscal year. The aggregate authorization of such sums is also increased from $500 million to $1 billion.

The Senate amendment amended the subsection to provide an authorization of $70 million for the fiscal year 1962, $80 million for the fiscal year 1963, $90 million for the fiscal year 1964, $100 million for the fiscal year 1965, and $100 million for the fiscal year 1966. In addition the Senate amendment repealed the restriction in existing law that at least 50 percent of funds appropriated must be granted for treatment works servicing municipalities of 125,000 population or less.

The conference substitute provides authorization of $80 million for the fiscal year 1962, $90 million for the fiscal year 1963, and $100 million for each of the fiscal years 1964 through and including 1967. In addition the conference substitute retains the restriction requiring the use of at least half of the funds appropriated for projects in cities of 125,000 population or less which was repealed by the Senate amendment.

SECTION 7 (a), (b), and (d)

The House bill provided that pollution of navigable waters would be subject to abatement under the act.

The Senate amendment provided that interstate or navigable waters shall be subject to abatement under the act.

The conference substitute is the same as the Senate amendment.

SECTION 7 (C)

The House bill provides that a conference, initiating Federal enforcement procedures, must be called on the request of (1) the Governor, (2) the State water pollution control agency, or (3) with the concurrence of the State agency governing, the governing body of any municipality, whenever the pollution endangers the health or welfare of persons in a State other than that in which the discharge originates (interstate pollution). The Secretary on his own initiative may call such a conference when he has reason to believe that such interstate pollution is occurring. Such a conference must be called whenever requested by the Governor, the State water pollution control agency, or, with the concurrence of such agency, the governing body of any municipality when pollution is endangering the health or welfare of persons only in the State requesting the conference (intrastate pollution), unless the Secretary determines that the effect of the pollution is not significant enough to warrant the exercise of Federal jurisdiction.

The Senate amendment differs from the House bill in that a conference could be called because of intrastate pollution only upon the request of the Governor of a State.

The conference substitute provides that a conference could be called in the case of interstate pollution upon the request of the Governor, the State water pollution control agency, or, with the concurrence of both the Governor and the State agency, the governing body of any municipality. The Secretary may call such a conference on his own initiative in the case of interstate pollution. The conference substitute provides in the case of intrastate pollution that a conference may be called only when requested by the Governor of a State where the pollution is occurring. In cases involving intrastate pollution the Secretary may refuse to exercise Federal jurisdiction if in his judgment the pollution is not of such significance to warrant the exercise of Federal jurisdiction.

SECTION 7 (e)

The House bill amends subsection (e) of section 8 of the Federal Water Pollution Control Act to provide that the board which under present law conducts the public hearing to make findings whether pollution is occurring and whether effective progress toward abatement is being made shall be formally known as a hearing board. The House bill further amends section 8(e) of existing law to provide that findings and recommendations of the hearing board shall be those of the Secretary except to the extent the Secretary believes other findings or recommendations are warranted. The House bill also authorizes the Secretary to make an order requiring the abatement of pollution, which order shall become final 60 days after its issuance unless an appeal is taken.

The Senate amendment made no changes in the existing law.

The only change in existing law which the conference substitute would make would be to formally designate the board holding the public hearing as a hearing board.

The House bill amends subsection (f) of section 8 of the Federal Water Pollution Control Act to provide a detailed method for appealing an order of the Secretary issued under subsection (e) of section 8 as proposed to be amended by the House bill.

The Senate amendment made no change in existing law.

The conference substitute provides that if pollution is not abated within the time specified in the notice following the public hearing the Secretary of Health, Education, and Welfare may request the Attorney General to bring a suit on behalf of the United States to secure abatement in the case of interstate pollution; however, in the case of intrastate pollution he may request the institution of such a suit in the name of the United States only with the written consent of the Governor of the State.

The House bill amends subsections (g) and (h) of section 8 of the Federal Water Pollution Control Act to provide for the jurisdiction of the court with respect to orders issued by the Secretary under subsection (e) of such section 8 as proposed to be amended by the House bill.

The Senate amendment made no changes in the existing law.

The conference substitute makes no changes in the existing law in this respect since the conference substitute does not provide authority for the Secretary to issue orders as was the case in the House bill.

SECTION 10

The Senate amendment amends the Water Supply Act of 1958. The House bill contained no such amendment. The present Water Supply Act of 1958 provides authority for the Corps of Engineers and the Bureau of Reclamation to include municipal and industrial water supply capacity in reservoirs under their jurisdiction. The present law provides that not to exceed 30 percent of the total cost of any project may be allocated to anticipated future demands if State or local interests give reasonable assurances that they will contract for the use of storage for anticipated future demands within a period of time which will permit paying out the cost allocated to water supply within the life of the project. The Senate amendment will permit the Federal agency concerned to make its own determination of future water supply needs and, on the basis of such determination, to include capacity in a project without definite contractual commitments from State or local interests.

The conference substitute adopts the provisions of the Senate amendment.

Mr. COOPER. Mr. President, I should like to ask the distinguished Senator from Oklahoma two questions, for the purpose of interpretation.

The conference report extends—in my judgment—the jurisdiction of the Surgeon General. At present, the Surgeon General has enforcement powers over interstate waters. The conference report will extend that definition, so as to apply to navigable waters, as well.

I should like to ask the distinguished Senator from Oklahoma this question: In the event it should be determined that navigable waters include a navigable lake which is wholly within a State, if the Surgeon General instituted an action, would it be necessary for him to secure approval by the Governor of the State, before the Surgeon General could institute an enforcement action in court?

Mr. KERR. Under the bill, the answer is "Yes." Under the law existing prior to this bill, enforcement authority has been limited to interstate waters; and the procedures of enforcement are very clearly set forth in the present law.

Under the bill as it came from the House, the authority of the Surgeon General—and that has been changed, by the way, to the Department of Health, Education, and Welfare—to initiate enforcement proceedings was expanded to include navigable waters. Under the language as it came from the House, an order of the Secretary of Health, Education, and Welfare would be effective unless appealed from in the U.S. Court of Appeals.

The Senate amended that provision quite drastically limiting the expansion of the enforcement jurisdiction to a situation described as interstate or navigable waters, and provided that, with reference to intrastate waters—such as a

navigable lake wholly within a State, as described by the Senator from Kentucky—action by the Department of Health, Education, and Welfare could be taken only upon the request of the Governor of the State in which the intrastate waters were located. Then the procedure would be before a U.S. Federal court.

Mr. CASE of South Dakota. Mr. President, will the Senator yield at that point?

Mr. KERR. I yield to the Senator from South Dakota on this point.

Mr. CASE of South Dakota. I merely want to state for the record that was the clear understanding on the part of the conferees—that if action were sought by anyone with respect to pollution abatement of waters that are wholly within a State, the Secretary of Health, Education, and Welfare's notices or recommendations could be effective only if he had been requested to come into the picture by the Governor. The Governor's request would be necessary before the Secretary of Health, Education, and Welfare could enter into pollution abatement actions where waters are wholly intrastate, including the calling of a conference.

Mr. KERR. Then the procedure would be to seek relief in a court.

Mr. CASE of South Dakota. That is correct.

Mr. COOPER. Mr. President, will the Senator yield for a further question?

Mr. KERR. Yes.

Mr. COOPER. I know the conference report expresses this, but I think it is worth while to ask this question for the record and the information of the Senate. As the bill came from the House, it provided that after the Surgeon General—or, now, the Secretary—had made a decision upon an issue, the case made would be a prima facie case and the appeal would have to be to a circuit court. Is it correct to state that, as the conference report comes before the Senate, any action by the Secretary of Health, Education, and Welfare would be instituted in a U.S. district court?

Mr. KERR. The Senator is correct. The language which the Senator from Kentucky has referred to as being in the bill as it passed the House was deleted by the Senate, and was left out by the conferees.

Mr. COOPER. These matters caused me some concern in the committee. I am glad the Senator has taken good care of them, as he always does.

I am very strongly in support of the bill.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. The adoption of the conference report will mark the enactment, so far as passage of the bill by Congress is concerned, of an expanded new Federal Water Pollution Control Act. The purposes of the bill are known to all, and its features will be stressed in various ways by various people.

Some comment has been made in the press that the bill does not go as far in the direction of providing funds for large projects as some people feel it should. On the other hand, it should be noted that the conferees, in reaching their agreement, provided greater amounts for large projects than does the present law when those projects had been taken care of that are under $250,000 and for which applications have been filed prior to 1 year after the date of enactment of this bill.

We sought by this device not only to accommodate the needs of the larger cities, but also to protect the interests of the smaller communities where 30 percent of the project cost would not exceed $250,000.

Under that protection, I feel the conference report provides aid to the larger cities as well as protects the smaller communities, and thereby preserves the purposes of the act.

The bill as finally agreed to in conference does not provide as much overall money as some persons had talked about, but on an annual basis the program is very substantial and is considerably larger than it has been in the past. Yet it does respect the situation of the Treasury Department to a certain extent.

The conference agreement was one I felt I could support in view of the many points of view that had to be considered.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. CASE of South Dakota. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I wish to say a word in tribute to the members of the Committee on Public Works for the job they did in handling the legislation in committee and on the floor, and to their representatives in conference. The final report is due to the efforts of all members of the committee.

Again I wish to make the record clear that the distinguished Senator from South Dakota [Mr. CASE], the ranking Republican on the committee, lived up to his fine reputation of constructive statesmanship, purposes, and ability to cooperate in handling and improving legislation on a bipartisan basis, and, along with his colleagues, did a fine job. He especially did a great job in the leadership he manifested and in the work he performed.

The distinguished Senator from Utah [Mr. MOSS] had an amendment which was accepted and then retained by the Senate conferees in the conference with the House.

Other Senators on the Democratic side, including the distinguished Presiding Officer at this moment [Mr. METCALF], made a fine contribution to the development of this legislation, which, in the judgment of the Senator from Oklahoma, is going to make a tremendous contribution to water conservation, development, pollution abatement, and water quality control in the United States.

Mr. CASE of South Dakota. Mr. President, will the Senator yield before he takes his seat?

Mr. KERR. I yield.

Mr. CASE of South Dakota. I wish to join in what the Senator has said about the bipartisan way in which the bill was handled, and to commend the Senator from Oklahoma for his leadership in this field, which is so closely related to the work of the Select Committee on Water Resources which he headed so ably.

SENATOR BYRD OF VIRGINIA

Mr. WILLIAMS of Delaware. Mr. President, there appears in yesterday's Washington Evening Star an article by Gould Lincoln entitled "Byrd's Flag Is Flying High." I wish to quote two or three sentences from the article:

> The people of Virginia believe in Senator BYRD. They respect his honesty and courage. The sweeping victory of a Byrd supported ticket for Governor and other major State offices in Tuesday's primary is just another evidence of that faith.

There are hosts of Americans, both in and out of the State of Virginia, who will join Gould Lincoln in paying respect to this very able Member of Congress from the State of Virginia. I ask unanimous consent that the entire article be printed in the body of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BYRD'S FLAG IS FLYING HIGH

(By Gould Lincoln)

Rarely has any man so dominated the politics and policies of his State for so long a time as has Senator HARRY FLOOD BYRD of Virginia. The people of Virginia believe in Senator BYRD. They respect his honesty and courage. The sweeping victory of a Byrd supported ticket for Governor and other major State offices in Tuesday's primary is just another evidence of that faith. Senator BYRD's grip on the politics of Virginia and the State government has brought many times a charge of machine politics, of "bossism." But in all the many years of the so-called Byrd machine, the State has been well governed economically and without corruption.

The victory of the Byrd ticket for Governor will be hailed as a victory for conservatism. It will have its repercussions throughout the country, and it will leave Virginia, as it has been for years, in a commanding position as a leader in the South. Certainly, the radical Democrats of the North and the Kennedy Frontiersmen can take no joy in the results. Senator BYRD did not say a single word in favor of the election of President Kennedy in the 1960 campaign. His silence was interpreted as opposition to the Democratic presidential candidate. Mr. Kennedy lost Virginia.

The Virginia Senator is no religious bigot. He did not withhold approval of the Kennedy ticket because Mr. Kennedy is a member of the Catholic Church. He withheld his approval because he was strongly opposed to the Democratic national platform and Mr. Kennedy's pledge to go forward with the program contained in that platform. Back in 1928, when Senator BYRD was Governor of Virginia, he fought hard in the presidential campaign to elect Gov. Alfred E. Smith of New York, the first Catholic ever nominated by a major political party for President of

the United States. Governor Smith also was in favor of repeal of national prohibition, a real issue in those days. Despite Governor BYRD's efforts, the State was lost to Herbert Hoover, the Republican candidate.

AGAINST KENNEDY POLICIES

Senator BYRD, who has been on many occasions a lone voice crying in the wilderness of financial irresponsibility by Government, has no use for many of the domestic proposals of the Kennedy administration. He is violently opposed to deficit spending—except when necessary for national defense. He believes that the States, not the Federal Government, should deal with the schools. He has been an advocate of "massive resistance" to the integration of the public schools in Virginia. He is opposed to some of the Kennedy social welfare measures, believing that the States, not Washington and the Federal Government, should see to the welfare of their citizens. The policies he has advocated have been based on principle, not on partisan politics.

Had the Tuesday primary election seen the defeat of the Byrd ticket, it would have been called a defeat for Senator BYRD and the principles he advocates. His influence and prestige in the Senate would have been marred even though he himself was not on the ticket.

Senator BYRD is a Democrat. He has never announced support of a Republican candidate, either for the Presidency or for office in Virginia. In 1952 he went so far as to say he could not support Adlai Stevenson, the Democratic nominee for President. In 1956 he remained silent when Mr. Stevenson was again nominated, and in 1960 the Senator again said nothing about the presidential race. In all three presidential elections, Virginia was carried by the Republican candidates.

GOVERNOR AT 38

Born in 1887, Senator BYRD was elected to the State senate in 1915 when he was 28 years old. He was 38 years old when he was chosen Governor, to serve a 4-year term extending from 1926 to 1930. As Governor, he immediately made his mark. He became a political power of major proportions. Three years later, he was appointed to the Senate to fill a vacancy caused by the resignation of Senator Claude Swanson. He later was elected to fill out the Swanson term in the Senate and has been a member of the Senate ever since.

Senator BYRD's friendship has been sought and valued by many Presidents. His personal relations with President Kennedy are very friendly. Indeed, President Kennedy flew last spring in a helicopter to land on the lawn of Senator BYRD's home at Berryville to attend a luncheon party. But Senator BYRD's personal friendship for Mr. Kennedy, with whom he served in the Senate for 8 years, does not affect the Virginian's theories of government and financing.

There were many conflicting angles involved in the primary election won by the Byrd organization. The outcome, however, reflects the conservative viewpoint of Virginia voters. The opposition ticket, which drew a very considerable vote, pulled out all the stops in its fight to overthrow the Byrd control. An amazing feature of the primary, in view of the hard campaign and great publicity, was the small turnout of voters. Although more than a million qualified voters are on the rolls, only 350,000 went to the polls. The Republicans, of whom there is an increasing number in the State, are included in the million qualified to vote. It had been expected, however, that some 375,000 to 400,000 voters would cast their ballots.

The Democratic nomination for Governor in Virginia has been tantamount to election. There seems no reason to challenge that precedent, although the GOP will have a candidate in the field in November.

TRIBUTE TO DEAN ERNEST C. MARRINER

Mrs. SMITH of Maine. Mr. President, one of the most outstanding citizens of Maine, Dean Ernest C. Marriner, of Waterville, Maine, a prominent educator and former dean of the faculty of Colby College, recently made his 500th 15-minute broadcast on radio station WTVL of Waterville, Maine.

This program—which is 13 years old—is undoubtedly the most popular local radio program in the State of Maine. It is the oldest Maine radio program in Maine with the same sponsor. More than that, it is the oldest in New England.

I think that a true measure of the great public service of this program and its tremendous popularity is in the fact that it has had the same sponsor from the very beginning—the Keyes Fibre Co.

But this is not surprising in any manner to me—because I have been privileged to know Dean Marriner for many, many years. I have never known a finer person. I have never had a friend of whom I was more proud than Dean Ernest C. Marriner.

I have never known anyone in my life who was more respected and for whom there was greater deep affection than that which the people of Maine have for Dean Marriner.

I ask unanimous consent that his 500th broadcast be printed in the body of the CONGRESSIONAL RECORD, together with an account in the May 20, 1961, Waterville Morning Sentinel about this broadcast and program and a biography of Dean Marriner.

There being no objection, the article, account, biography, and broadcast were ordered to be printed in the RECORD, as follows:

MARRINER WILL PRESENT HIS 500TH BROADCAST

(By Everett Webb)

Thirteen years ago—it was in the fall of 1948—Dean Ernest C. Marriner agreed, although somewhat hesitantly, to fill in on a 15-minute WTVL (Waterville) radio program for "3 or 4 weeks."

Sunday the popular Dean Marriner will present his 500th broadcast. During the past 13 years, the current historian at Colby College has compiled an enviable record.

At the same time, he has given central Maine an insight into the colorful past of Waterville, Kennebec County, Somerset County, and other sections of Maine.

"Little Talks on Common Things," which is the name of his 15-minute Sunday night chats, has covered such interesting history as the covered bridges of Maine, the narrow-gage railroads, the Abnaki Indians of Waterville, Waterville's first murder, the Coolidge murder, oldtime doctors hereabout, and unnumbered other tidbits of days gone by, including Maine's famous racehorses.

And through it all only one sponsor has ever been associated with the program. Keyes Fibre Co. of Waterville first sponsored the programs on the dean's third broadcast. They are still the sponsors.

To honor Dean Marriner for achieving 500 programs on the air, the Kennebec Broadcasting Co. and the Keyes Fibre Co. presented him an 18-carat gold-plated 16-inch record.

Marriner proudly points to the fact that his is the oldest Maine radio program in Maine with the same sponsor. It is also the oldest in New England.

He is also proud that his sponsors do not ever interrupt during his program for commercials. The only mention of the sponsor is in the introduction and at the end of the program.

Marriner Wednesday related how the program had its origin.

He said that Carleton Brown, who is a neighbor of Marriner and president of the Kennebec Broadcasting Co., stopped him one day in the fall of 1948.

Brown said, "Couldn't you give me something to fill in for a few weeks?"

He explained, according to the dean, that it would only be for a few weeks.

Brown said he was looking for a program "that would be meaningful" to follow the Drew Pearson program, which was on the air from 6 to 6:15 p.m.

"I didn't care what he talked about, as long as he would talk," Brown said. He compared the dean's voice to that of the late President Franklin D. Roosevelt, and said that the dean reminded him of the time when F.D.R. had his fireside chats.

Brown added that he told Marriner, "Before you start, I want you to come downtown to the corner of Temple and Main Streets and watch the people getting on and off the Oakland bus. Prepare yourself to talk to those people, because they are the ones you'll be talking to."

The dean did just that.

After Marriner had agreed to do the broadcast, Brown called him one day and asked, "What are you going to talk about?"

The dean replied, "Little Talks on Common Things." And the first broadcast was just that. He discussed the birth of a baby.

Marriner states that since his third broadcast he has never had to do any digging and research for his programs. And a look at his library would explain the reason. People who listen to the program offer him items, historical information, articles of days gone by, and through these contributions comes the materials for his 15 minutes each Sunday.

The only break in the series is during the summer, when he takes his vacation. But every September he resumes and continues through each June.

How was the sponsor obtained? Before the third program, back in 1948, Brown and Marriner went to visit the late Wallace Parsons, then president of the Keyes company, and Ralph Cutting, current president of the firm, to discuss the possibility of sponsoring the program. Brown said it was stressed that it was a quality program and that it was not designed to sell "products but to sell good will."

In his collection, accumulated over the years, are numerous items of value, many irreplaceable. They all have a tie-in with the past in Maine.

The program also made possible the two books published by the dean, one entitled "Kennebec Yesterdays" and the second "Remembered Maine."

Marriner is former dean of the faculty at Colby College and is chairman of the board of trustees of the Waterville Public Library.

Among his most highly prized possessions are a copy of Maine's first newspaper, the Falmouth Gazette of 1785 (vol. 1, No. 1), and a copy of the Boston Gazette of March 12, 1770, containing the earliest first hand-printed account of the Boston Massacre.

BIOGRAPHY OF ERNEST CUMMINGS MARRINER, HISTORIAN

Ernest Cummings Marriner was born October 16, 1891, in Bridgton. The son of Wyllis and Margie Whitney Marriner, he graduated from Bridgton High School in 1909 and from Colby College in 1913.

As an undergraduate he was president of the senior class, the track team and the varsity debating team. He won several prizes in public speaking.

During the summers of 1915 and 1916, he studied English at Harvard Summer School. In 1937 he received his A.M. degree from

Suffolk University, and in 1953 an honorary L.H.D. from Colby. In awarding the degree President Bixler praised him "for a record that is unique in Colby's annals." He has also received honorary degrees from Suffolk University and from the University of Maine.

On June 27, 1917, in Wells Depot, Maine, he married Eleanor Creech, a member of Colby's class of 1910. They have two children, Ernest, Jr., city manager of Pittsburg, Calif., and Ruth, now Mrs. Eugene S. Szopa, whose husband is U.S. Vice Consul at Warsaw, Poland.

Dean Marriner entered teaching in 1913 as head of the English department at Hebron Academy. From 1920 he was acting principal of Hebron, resigning to become state representative for Ginn & Co., book publishers, a position he held until 1923 when he was named librarian and professor of bibliography at Colby.

In 1929 the college appointed him dean of men and professor of English. In 1947 he was appointed dean of the faculty. He continued in this post until the spring of 1957 when he resigned to become historian of the college. A two-volume history of Colby which he has been preparing is expected to be published in 1961–62.

The dean formally retired from the Colby faculty in June 1960.

During the war years, while the Army Air Force used some of Colby's facilities, he was academic dean for the 21st College Training Detachment.

He has held many civic offices, serving as a member of the State board of education since 1949. He was elected its chairman in 1956, serving in that capacity until 1958.

Dean Marriner has served for several years as a moderator of the First Baptist Church of Waterville.

In 1952 he was chairman of a committee to supervise the staging of Waterville's sesquicentennial observance.

He was president of the New England College Admissions Board from 1936–45 and a trustee of Lee Academy, Thomas Junior College, former trustee and board chairman of Coburn Classical Institute, and a former trustee of Higgins Classical Institute.

He was a member of the committee on examinations of the college entrance examination board from 1946 to 1952.

Dean Marriner is author of several volumes including the "History of Hebron Academy" (1921); "Jim Connolly and the Fishermen of Gloucester" (1929); "Kennebec Yesterdays" (1953); "Remembered Maine" (1959), plus articles in various magazines.

For more than a decade Dean Marriner has conducted a weekly radio program over WTVL, Waterville. His broadcasts are called "Little Talks on Common Things" and cover various items of Maine history.

Dean Marriner was chairman of a committee on the minimum essentials of English for Maine secondary schools from 1930 to 1932. In 1946 he was named to a special committee of the New England Association of Colleges to cooperate with the U.S. Civil Service Commission in developing plans for improving relations between the Commission and the colleges.

He is a member of Phi Beta Kappa, Alpha Tau Omega, the Kiwanis, and the Masons.

"LITTLE TALKS ON COMMON THINGS"—500TH BROADCAST, MAY 21, 1961

As improbable as it seems to me, this is indeed the 500th broadcast of "Little Talks." I cannot pretend that any of them have been important, but if they have given pleasure to any listeners over the years, I am sufficiently rewarded for the effort that has gone into their preparation.

An important aspect of this program is that it is one of very few radio programs in the whole Nation that has continued for 39 weeks of each year, for 13 consecutive years, under the same sponsor. Putting and keeping "Little Talks" on the air would have been quite impossible without the sponsorship of the Keyes Fibre Co. I am sure listeners appreciate that, from the day these broadcasts started 13 years ago in 1948, they have never been interrupted by advertising. In a few simple words at the beginning and at the end, you are told that the program comes to you as a public service, not a commercial ad, of the Keyes Fibre Co. Never once has the company in any way sought to control the contents of the program. I have been completely free to say anything I pleased. I assure you that whenever I have spoken about Keyes Fibre on these broadcasts, it has been entirely on my own initiative. But I want everyone to know that I am very grateful to that company for making this program possible.

I am often asked where I get the material for the broadcasts, and I have often replied that it comes chiefly from listeners. Without the generous help of hundreds of persons, the program could never have reached 500 broadcasts.

People have loaned me precious letters and family documents, account books and diaries, maps and scrapbooks, old newspapers and handbills—every sort of written or printed record. Items have come not only from the Kennebec Valley and other parts of Maine, but from Massachusetts, Vermont, New York, Pennsylvania, Ohio, Minnesota, Texas, and California. One very interesting item reached me from Alaska.

As you know, the program has resulted in the publication of two books, "Kennebec Yesterdays" and "Remembered Maine." In those books are memorialized the narrow gage railroads, the stagecoach lines, the call of Maine boys to the gold fields of California, the old country stores, the disastrous river floods, the rigors of pioneer living, the squatters on the land, and many other topics. In each of those books is the story of a Maine murder case.

During the past 4 years, since the publication of "Remembered Maine," what have been the topics that received most favorable reception? By far in the lead has been the subject of Maine railroads—not only the narrow gage lines about which much has been added in the past 4 years to what I had already told in the two books—but also much about Maine's broad-gage railroads. We have discussed the origin of the Maine Central, the adventurous building of the Portland & Ogdensburg, which became the Maine Central's Mountain Division. We have seen how the prosperous Bangor & Aroostook grew out of the old Aroostook Railroad. We have talked about the battle of the gages, about the first Maine Central locomotive, about railroad postmarks, and railroad souvenirs.

Almost as popular as the railroads have been stories about Maine's famous racehorses of the 19th and early 20th centuries. Naturally Waterville's famous horse, world champion Nelson, has led the list, but quite as famous in their day were the bitter competitors, General Knox and Hirim Drew, whose matched races drew immense crowds.

Two other subjects, each of which supplied material for several programs, were the diary of Charles Keith of Winslow and the voyage of William Heath around the world. The Keith story is important because it covers nearly 30 years of daily records, and is especially informative about the Winslow Congregational Church. The Heath narrative is one of the most amazing stories ever recorded about a Maine boy, and it comes from that boy's own diary, telling in detail how he shipped out of San Francisco alone for Honolulu, just before his 16th birthday in 1850, and how he unintentionally went on to China and around the world before he returned to his Maine home just after his 17th birthday.

Local listeners were especially interested in the story of John McKechnie, the man who surveyed the lots along the river for the Plymouth Company, who was this community's first physician, and who built its first mill.

Several broadcasts devoted to two well remembered political figures attracted attention. Both of them were belligerent Democrats—Ben Bunker, publisher of the Kennebec Democrat in the 1880's and William R. Pattangall, publisher of the Waterville Sentinel in the early 1900's. I contend that one of the most brilliant works of political satire ever written in Maine is Pattangall's "Meddybemps Letters."

Other stories that listeners tell me they enjoyed were the California adventures of Thomas Flint, the young medical student whose testimony clinched the conviction of Waterville's Dr. Coolidge for murder; the pre-Revolutionary journeys down the Kennebec and the Androscoggin of the military engineer, John Montressor; and several broadcasts dealing with that splendid, upright and industrious sect, the Shakers.

Some of the oldtime things we have mentioned in recent years on the program have been ox helves and beetles, bridle chains and scantling, sulfur matches and sarsaparilla, tobacco tags and hardtack, rag peddlers and street sprinklers.

The different persons we have mentioned, only in the last 4 years, have been more than 200. We have had much to say about the leading families of the Kennebec: the Gardiners, the Norths, the Conys, the Langs, and the Burleighs; the Appletons and the Redingtons, the Plaisteds and the Heaths, the Boutelles and the Gilmans, the Moors and the Stackpoles; the Geralds, the Connors, the Totomans, and the Laurences; the Clevelands and the Coburns, the Jackmans and the Whipples. Recently we have paid fitting respect to our central Maine men in the Civil War, to whom as a part of the Union forces, we owe the fact that we are now a united, not a divided Nation.

Are the topics exhausted? Have we said all there is to say? Have the nearly a million words that have gone over the air in these 500 broadcasts exhausted the discoverable historical information about ordinary living in Maine towns and villages? By no means. On the contrary, new information continues to pour in, and I assure you there is enough to keep this program going for some time to come.

To show you how true it is that something new is always coming along, let me tell you for the first time about a letter written by a Civil War soldier almost a hundred years ago. The letter was written from the camp of the Fifth Maine near White Oak Church, Va., on April 19, 1862, by James Littlefield of Greenwood, Maine, the town in which is the village of Bryant's Pond. The letter was addressed to Littlefield's female cousin, Miss Martha Rice, at Waterville. She later married a Bickford and became the mother of Bertel and Webster Bickford of North Belgrade. Martha Rice Bickford herself died in Smithfield in the 1880's.

The greater part of the Littlefield letter is confined to the ordinary details of life in the Civil War camps, with which many other letters have made us familiar. It contains the usual gripes, such as, "It may be all right to make pack mules of us poor devils, but I cannot see it in that light." But what distinguishes this letter is the writer's sudden injection of astounding news. Let us have it in his own words:

"I will tell you of a strange circumstance that happened here a few days since. Perhaps you will think it a rather indelicate subject, but I must tell you about it and ask you to excuse me. A corporal in a New York regiment near us, while on picket a few days since, was delivered of a child. Perhaps you will think that incredible, but such is a fact. He, or I should say she,

came with the regiment as a soldier and has been with it since its organization. Her sex has remained undiscovered until now, but most likely she will now get her discharge. I think she ought to have a pension in order to bring up the child in good style."

For a chance to see that amazing letter I am indebted to Richard Sturtevant of North Belgrade, who with his brother Laurence Sturtevant has already supplied many interesting items for this program over the years.

Another recently found item is a letter written by Robert E. Pattison, when he was president of Waterville College in 1838. The letter was addressed to a very good friend and trustee of the college, William King, who 18 years earlier had been Maine's first Governor. To Governor King the Waterville College president said: "I am very anxious to spend a few weeks at Harvard University, that I may make myself acquainted with whatever they have that is peculiar. This I cannot do except in the winter vacation. Besides this, friends in Boston have notified me that, if I will visit them, they will do something for the college. I can accomplish both objects by a single journey."

Why did Pattison say he could make no extended visit to Harvard except during the winter vacation? The answer is that, in 1838, the long vacation of the college year came in the winter, in order that the students might have opportunity to teach a full term in the public schools. In the period between 1820 and 1880 almost every student at the college in Waterville was a teacher in the one-room rural schools during the winter. The college year was then composed of three terms. The fall term began in September and closed just before Christmas. Then came the long vacation, with the spring term opening early in March and closing in May. It was followed, after recess of only 1 week, by what was then called the summer term, from late May to the middle of August. The year ended with the commencement exercises about August 20.

President Pattison's letter to William King had the following postscript: "You, Judge Weston and Mr. Marsters were appointed at our last meeting a committee to solicit aid of the legislature at their approaching session. I hope, dear sir, that it may come before that body at a favorable time, for although I am far from sanguine as to the result, I hope that something will be done. Mr. Boutelle will supply all necessary facts."

The Mr. Boutelle referred to was Waterville's leading citizen, Timothy Boutelle, who was then treasurer of the college. Every year, after Maine became a separate State, the struggling new college at Waterville got a small grant, never more than $3,000 and often as little as $1,000. But those grants ended in 1833, and even with the prestige assistance of William King, President Pattison's attempt to scare another grant in 1838 met with failure.

Now, as we close this 500th broadcast, I want to express my appreciation of Carleton Brown, president of the Kennebec Broadcasting Company and manager of this station WTVL. To him and to his staff, especially the several young men, who from time to time have announced this program, I am profoundly grateful.

PADRE ISLAND NATIONAL SEASHORE

Mr. YARBOROUGH. Mr. President, on Friday, June 30, 1961, there was published in the Washington Post and Times Herald Outdoors section a very fine article written by Mr. Aubrey Graves, the Outdoors editor for the newspaper, under the title "Texans Push Padre Island Project—Bill Would Save for Public Use 88 Miles of Unspoiled Shore."

Mr. President, this is the finest article, word for word, about Padre Island that I have read. I pay tribute to Mr. Graves' ability as a writer, to be able to write so concisely, so accurately, and so interestingly in such a short space. He is an outstanding conservationist known all over the country as such, in addition to being the Outdoors editor for the Washington Post and Times Herald.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BILL WOULD SAVE FOR PUBLIC USE 88 MILES OF UNSPOILED SHORE

(By Aubrey Graves)

After languishing for two decades, the Padre Island National Seashore project is being vigorously pushed for approval at this session of Congress.

This is part of a rejuvenated drive to save for public use some of the remnant of our vanishing shorelines.

A bill introduced by Senator RALPH YARBOROUGH, Democrat, of Texas, would establish as a national seashore an 88-mile section of the 117-mile-long island which stretches along the gulf coast of Texas from Corpus Christi almost to the Mexican border.

This is the longest reach of unspoiled coastline remaining in America, exclusive of Alaska.

Varying in width from a few hundred yards to 2 miles, Padre Island has wide, clean, gently sloping beaches, composed of fine sands and broken shells, which stretch from horizon to horizon. It is an ideal place for swimming, surf fishing, and other sports.

On the gulf side are sand dunes which are shaped and reshaped by the wind. Others, stabilized by grasses and vines, rise to 40 feet in height. Behind them are broad flats and occasional ponds, some fresh with rain water.

In the remoteness of the island live such endangered bird species as the reddish egret, roseate spoonbill, Cabot's tern, royal tern, and black-bellied tree duck. It is a stopping place for many migrants.

Overwhelming citizen support for the area's preservation was registered during public hearings in Corpus Christi 18 months ago. Real estate interests, however, want to lop off 23 miles at the ends of the proposed area. These 23 miles, dotted with fresh water ponds, comprise the choice parts of the island.

Another group is demanding that the legislation include a guarantee that a highway will be built the full length of the island, with connecting causeways.

Inserting the provisions desired by these two groups, Representatives JOHN YOUNG and JOE M. KILGORE, Democrats, of Texas, have introduced in the House a bill that would restrict the length of the seashore to 65 miles and would put a highway the full length of the island.

At a Senate Public Lands Subcommittee hearing last April, Interior Secretary Stewart L. Udall expressed opposition to a through road for two reasons.

Some sections, he pointed out, are subject to washout from storms. And no studies of cost or feasibility have been made.

Secondly, he declared that millions of people are interested in the preservation of wild, unspoiled places as sources of physical and spiritual refreshment.

"For them," he said, "wild landscapes, marshes, dunes, beaches, native plant and animal life and the feeling of spaciousness, away from the sights, sounds and the smell of automobiles, should be preserved."

At the same time, he said, he favored "adequate roads and other facilities for people who do not wish to get away from them."

"Let us be provident and generous," he pleaded, "not only to the American public but also to our children, to future generations, by preserving an adequate National Parks Service."

Senate committee hearings on the legislation have been completed and the House committee has held hearings to accommodate out-of-town witnesses. National Park Service witnesses, however, have not yet been heard.

LONG-RANGE BOMBERS

Mr. YARBOROUGH. Mr. President, in recent discussions about the B–52, the B–58, and the B–70, there has been considerable discussion as to what constitutes a long-range bomber. I find that this definition is not static and it has, throughout the history of military aviation, been relative. At all times, however, the elements of definition of a militarily useful long-range bomber have been tempered with considerations which describe the bomber's ability to penetrate and survive the enemy's defensive environment and to deliver its bombs upon the target. These are speed, altitude, maneuverability, defensive armament, and effective electronic countermeasures capability. The ability to operate at extremely high speeds at minimum altitudes is a characteristic of ever-increasing importance.

Prior to the advent of nuclear weapons, the payload of any bomber was described in terms of pounds. The tremendous increase in yield of nuclear weapons coupled with the ever-decreasing weight of these weapons of increased efficiency has rendered this parameter obsolete when talking of strategic weapons. This parameter is now expressed in equivalent tons of TNT—1 megaton equals 1 million tons—delivered on the target or targets. The accuracy and reliability of the bomb aiming system plays an extremely important part in measuring relative effectiveness.

In consideration of the fluid nature of the definition of the term "long range," we must assume, at this time, that the range of the B–52 describes a long-range strategic bomber. There have been eight successive model improvements of the B–52. Approximately two-thirds of the total quantity delivered and on order are models A through F. The range of the best of these has a total unrefueled range of about 7,700 miles. One must conclude, therefore, that this describes the range of a long-range bomber.

While the G and H models of the B–52 have increased range capability, they will represent less than one-third of the total and, more important, this increased range capability cannot be realized until the wings have been replaced and this will take several years to accomplish and will cost about $1 million per airplane. It is significant that none of the many modifications or model improvements of the B–52 have increased its speed or its altitude over the target.

Let us look, then, at the range of the B–58. There have been no model improvements of this airplane ordered although like any airplane, it has a lot of growth potential. The unrefueled range of the B–58A—the production model being delivered today—is about 5,500 miles. A model improvement which I shall call for convenience the B model, which requires no invention or costly developments, could bring the unrefueled range of this airplane to over 7,000 miles. This range is certainly comparable to the range of about two-thirds of our B–52 fleet, so it follows, Mr. President, that the B–58 must be classified as a long-range strategic bomber.

If we consider other parameters such as speed, altitude over the target, and so forth, the B–58, as it should be, is a far more effective weapons system. We find that the cruising speed of the B–58 is over 100 miles per hour faster than the B–52, its top speed is over twice as fast, its altitude over the target about 20,000 feet higher, and its penetrating speed at low altitude is over 200 miles per hour faster than the B–52. It has the latest and most accurate bombing system yet devised, and is equipped with the most effective and advanced electronic countermeasures equipment available. It demonstrated its weapons systems effectiveness superiority by winning the SAC bombing competition during its first operational year—a feat unequaled in the history of any SAC weapons system.

Another straightforward model improvement of the same order which has become customary, that is changing the engines and the leading edge of the wing will allow the B–58 to cruise continuously at mach 2.4—the current limit of aluminum structural materials due to aerodynamic heating—which is about 270 miles per hour faster than the high speed of the current A model and is equal to the top speed of the new Russian interceptors and is about 1,000 miles per hour faster than the top speed of the B–52.

In summary, Mr. President, the B–58A requires one aerial refueling to hit 100 percent of the SAC targets from bases in the United States. The B–52 also requires one aerial refueling to hit 100 percent of the SAC targets from bases in the United States. The B–70, when it is developed and available, will require one aerial refueling to hit 100 percent of the SAC targets from bases in the United States.

If I recall the axiom from plane geometry correctly: "Things equal to the same thing are equal to each other," it follows therefore, that the B–58A is a long-range strategic bomber and it is capable of many and steady improvements in range, speed, payload, and altitude.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, an editorial from the New York Times of July 12, 1961, entitled "The Needs of Defense"; another editorial from the New York Times of July 11 entitled, "Bombers Here To Stay Awhile"; a letter to the editor of the Evening Star of July 11, 1961, entitled "Bombers and Missiles," written by Sidney Koretz; an article published in the Fort Worth Star-Telegram of July 13, 1961, entitled "Red Plane Transport, Supersonic"; and another article from the Fort Worth Star-Telegram of that same date entitled "AF Readying Plea for Bomber Buildup."

There being no objection, the editorials, letter, and articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 12, 1961]

THE NEEDS OF DEFENSE

There is a curious air of unreality about the President's order to the Defense Department for another major review of our military strength and readiness.

The order was pegged to the Berlin crisis and to Premier Khrushchev's announcement of plans for a sharp increase in Soviet military readiness. As such, it is part of the war of nerves and conflict of propaganda that will become more and more strident between now and the fall.

But the decision to undertake what Secretary of Defense McNamara called "still another examination of our defense posture" lacks conviction. No propaganda is stronger than the action of government; it cannot be considered apart from those actions. There has been ample opportunity in the 6 months the Kennedy administration has been in office to review our military posture. Indeed, Mr. McNamara's regime in the Pentagon has studied some 140-odd projects, which deal with all phases of military security. The 1962 defense budget has been studied, reviewed, revised, and increased. The strengths and weaknesses of the services should be well known by this time to the new civilian officials in the Pentagon and to the President himself.

Actions now will be considerably more impressive than words—and more studies. The needs are clear: more funds for increasing reserve readiness; more Army manpower; more money for Army modernization and Navy ship replacement; continued development of new types of piloted aircraft; some strengthening of our forces in Europe; a limited callup here. What is needed now is decision and action.

[From the New York Times, July 11, 1961]

BOMBERS HERE TO STAY AWHILE

For a weapon which has been so long described as obsolescent, the bomber has shown a remarkable longevity and viability.

The Soviet Air Force Day last Sunday emphasized that Russia (like the United States) is continuing to develop the piloted plane, including the bomber, even in the age of the missile—and for good reason. The bomber is far more flexible to command; it is more accurate; it can carry more powerful bombs than any missile now in service. And, even more important, it has a reliability which the missile cannot yet match.

The Tushino airshow demonstrated that the bomber and other varieties of piloted aircraft are, despite Premier Khrushchev's missile bombast, here to stay for awhile. What it showed about comparative technological developments in aviation in the United States and the U.S.S.R. is as yet uncertain. Soviet airshows, like any public demonstration in Russia, are carefully rehearsed extravaganzas; and they are confined by restrictions and secrecy unknown to the West. Five years ago, at the last similar show, there was a great initial fanfare about new Soviet models. But some of them, time has shown, were "clunkers"; none of them was superior to the best comparable American types.

This year's new "stable" of Russian aircraft cannot be adequately evaluated until more data are available. But it is clear that the piloted bomber, as well as the missile, occupies an important role in the Soviet armory, with all that this implies for our own military policies and our complicated system of air defense.

[From the Evening Star, July 11, 1961]

BOMBERS AND MISSILES

More than 2,000 years ago, on seeing a dart fired by a machine brought from Sicily, the Spartan King Archidamus exclaimed: "Oh, Hercules, the valor of man is at an end." He was way ahead of the story. It is only now that we are faced with the possible obsolescence of human qualities in warfare. Barbarism, with the superior weapon, can win over civilization.

It is time to discard the old rule: "Don't fire until you see the whites of their eyes." Not yet, according to retiring Air Force Chief of Staff, Gen. Thomas D. White. Men are still important, he says, and the manned combat airplane is nowhere near its end.

A manned bomber can do things that a mere missile can't. The former has flexibility of performance, can carry a greater load than any rocket, and can have its mission altered.

Maybe this is just a temporary respite for the "valor of man." Last year, Dr. Norbert Wiener, noted mathematician, spoke of a new kind of machine. Machines can be developed that possess sufficient originality to consider, test, and then accept or reject suggestions that have been fed into them, arriving at an answer long before its operator can comprehend the nature or long-range wisdom of its decision.

These would put us in the position of the sorcerer's apprentice who did not have the stop formula.

SIDNEY KORETZ.

[From the Fort Worth (Tex.) Star-Telegram, July 14, 1961]

AIR FORCE READING PLEA FOR BOMBER BUILDUP—RED SHOW LIFTS HOPE FOR B–58'S

(By Jack Raymond)

WASHINGTON, July 12.—The Air Force is preparing a vigorous appeal to Congress to invest more heavily in bombers and other manned aircraft in view of the impressive Soviet airshow at Moscow's Tushino airfield Sunday.

Qualified sources said that Gen. Curtis E. LeMay, Chief of Staff of the Air Force, planned to urge greater outlays than the administration has requested to develop the controversial B–70 supersonic, high-altitude bomber.

LeMay also was described as ready to appeal an administration decision to end production of B–52 and B–58 bombers, as scheduled by the Eisenhower administration for late next year.

Secretary of Defense Robert S. McNamara recently said that he would advise President Kennedy not to spend the money appropriated by the House for manned bombers. The $43 billion defense money bill is now before the Senate.

SIMILAR TO B–58

The Air Force, in response to questions, said that the Soviet airshow indicated that the Moscow regime had "made major progress" in developing "all types of aircraft."

The Air Force identified the new heavy bomber displayed in the Sunday show as one that has been known to be under development for a number of years. A similar prototype of this bomber was shown by the Soviets in 1958, the Air Force said.

The bomber was described as powered by turbojet engines and of "obviously a supersonic design with its highly swept delta-wing configuration." It was described as 200 feet long, with a wingspan of about 80 feet.

The Soviets also displayed 10 supersonic aircraft of a type "roughly comparable" to the U.S. B–58 medium bomber, the Air Force

added. The Soviets also demonstrated several "advanced type fighters." The Russians reported that one of these, the delta wing E-66, had set a new altitude record of more than 111,000 feet. This was unconfirmed, the Air Force said.

The Soviets announced in April that one of their pilots, Georgi Kislov, had set an altitude record with the E-66, adding that the papers documenting the flight were being sent to the Federation Aeronautique Internationale, the official body that deals with world flying records.

PHOTOS AWAITED

The previous height record ratified for normal takeoff aircraft was 103,395 feet, set by Joe Jordan in a Lookheed F-104C jet in December 1959.

In response to questions, the Air Force observed that photographs of the Soviet aircraft were being awaited before an analysis could be completed. Nevertheless, the Air Force added that the appearance of advanced transports and helicopters gave "further evidence" of the considerable Soviet effort in all phases of aircraft development.

The Air Force drive for bombers, reinforced by the Soviet airshow and support from several Senators who appeared Tuesday before the Senate Defense Appropriations Subcommittee, was certain to encounter opposition from the administration.

Deputy Secretary of Defense Roswell Gilpatric said at his news conference Tuesday that the Soviets clearly had made progress in manned aircraft but that the administration nevertheless believed that the country's strategic bomber forces were adequate.

Administration sources recalled that LeMay, long a leading advocate of bombers, was among the officers who testified on behalf of a bomber buildup to match Soviet efforts a few years ago. The Air Force afterward conceded that it had overestimated Soviet bomber production.

Administration officials said they were more concerned with the immediate needs of the Berlin crisis than with long-range objectives that they will incorporate in their budget mesage for next year.

OTHER PLANS EYED

The Pentagon is preparing recommendations for dealing with the Soviet threat to turn Berlin access routes over to the East German regime and other situations all over the world, such as in southeast Asia, which are expected to become critical in the next 6 to 10 months.

The Pentagon report, requested by President Kennedy, was originally said to have been due in about 2 weeks but there were signs Wednesday that it may be sent to the White House by the end of this week.

RED PLANE TRANSPORT, SUPERSONIC—GD ENGINEERS HERE SAY MOSCOW CAPTURED LEAD AGAIN FROM UNITED STATES

(By Marshall Lynam)

The American people don't know it yet, but the Russians have just clobbered us again—this time with a faster-than-sound transport plane.

That's the feeling of several top-notch General Dynamics engineers who have been studying news photos of a big new Soviet jetplane unveiled at Sunday's airshow in Moscow.

Western aviation experts who saw the plane said it looks bigger than the U.S. B-52 Stratofortress, which is 157 feet long.

The Russians identified the new plane as a bomber, capable of speeds several times that of sound.

That alone was enough to disappoint General Dynamics engineers, knowing as they do that unless somebody in Washington acts pretty fast, the General Dynamics B-58, America's only supersonic bomber, is going out of production. But that's not all.

A close study of the pictures from Moscow has convinced these engineers that while the new Soviet ship undoubtedly can serve as a bomber, its design clearly proves it can serve as a supersonic airliner as well.

They point out that the ship has a big, roomy fuselage—a feature totally unnecessary in a day when nuclear bombs are so small that even the 97-foot-long B-58 can carry five of them.

Then, too, the Soviet ship has a conventional tail—that is, a horizontal stabilizer and elevators. This, as engineers see it, means at least two things:

First, it allows the ship to have wing flaps, giving it the slower landing speed needed in an airliner but not necessarily in a warplane. The B-58, for example, has no flaps, because the place where they would ordinarily be located on the wings is used for elevons—dual-purpose control surfaces combining the functions of elevators and ailerons.

Second, the tail on the Soviet ship gives it more stability than it otherwise would have. Here again is a factor not too important in military planes, because flight crew and bomb load remain pretty well in one place all during the flight.

But on a transport, or airliner, the load often shifts, depending on such things as baggage loading and how many people wander back to the washroom during the flight.

It would be bad enough if the Russians had just caught us flatfooted without any plans at all for a supersonic transport.

But the fact is—and this is what makes the engineers really disappointed—several companies, including General Dynamics, have submitted proposals to the Government to build such a plane.

In 1959, for example, the General Dynamics plant here proposed to build a supersonic airliner—the model 62.

The new Soviet plane, as a matter of fact, looks remarkably like the model 62—or rather, what the model 62 would have looked like if it had ever been built. But nothing has ever come of the proposal.

"Now the Russians have beat our brains out again," one engineer observed.

Experts are guessing that the new Russian plane can fly at speeds ranging from mach 1.6 to 2.4 (that is, from 1.6 to 2.4 times the speed of sound) if it is built of aluminum.

If, on the other hand, the plane is built of stainless steel or titanium, which can better withstand the heat generated by air friction at supersonic speeds, the Russian plane may be capable of speeds of more than mach 3.

"One day before long Khrushchev will probably try to find an excuse to come over here again," one engineer predicted. "Then he'll crawl out of this airplane and say what a nice 3-hour flight he had from Moscow."

FLUNKING THE AID TO EDUCATION TEST

Mr. HOLLAND. Mr. President, I have seen many fine editorials in the press stating good reasons why the Federal aid to education program should not be passed, but I have seen none better than the one published in today's issue of the Wall Street Journal entitled, "Flunking the Test." I read it into the RECORD, because I think it is sufficiently terse and important to be included in the RECORD:

FLUNKING THE TEST

Almost everyone agrees that the administration's proposed program of Federal aid to education is in trouble on Capitol Hill, but we didn't realize how tough things were until we came across this last-ditch plea in the New Republic:

"Many States and localities have reached the limits of their borrowing capacity; their overall debt has increased 400 percent since the war, that of the Federal Government only 8 percent. They must have Federal aid. More and more economists cite education as a means to reduce unemployment and boost our social capital."

These alarmist views are frequently heard from supporters of Federal aid, but they fall far short of reality.

Some States have hardly any official indebtedness. Altogether, State and local debt totals some $64 billion; that of the Federal Government, which has gone up only 8 percent since the war, is $289 billion.

According to a 1959 survey by the U.S. Office of Education, only one-half of 1 percent of all school districts in the United States have reached the limit of their available bonded indebtedness for school construction. In 1960, the volume and approval rate of school bonds set new records at elections: The amount, $1.7 billion; the approval rate, 82 percent.

Interestingly enough, moreover, no State legislature has ever asked the Federal Government for school aid. Nor has a local school board official ever testified in favor of a Federal aid bill. Instead, the States and localities have gone ahead in recent years building classrooms at the rate of some 68,000 annually—a pace that could result in a classroom surplus by the end of the decade rather than the lamented shortage.

There are a number of reasons, some of them irrelevant, why the Federal aid proposal is in trouble in Congress. But undoubtedly one reason is that the weak arguments raised in its behalf simply flunk the test of fact.

HURRICANE DIVERSION

Mr. CASE of South Dakota. Mr. President, the morning newspaper published an article on the front page entitled "August Test Slated To Find Way To Divert or Dilute Hurricanes." The article relates the plans for seeding the eye of a hurricane by use of an aircraft and a silver iodide generator. This grows out of a program being sponsored by the National Science Foundation under legislation which we passed a couple of years ago, which I had the privilege of presenting to the Senate.

In my judgment, nothing that is being done today is more important than research in the field of atmospheric physics, and particularly the modification of clouds. In my own State of South Dakota private groups and county commissioners are joining to try to break the drought by the use of silver iodide dispersed from aircraft, and some very dramatic results are being obtained. The results are spotted, of course, because they must work on individual clouds. But the seeding of clouds with silver iodide or dry ice or other particles to provide nuclei to start the coalescence of droplets is one of the most significant things that is happening today.

General White has testified before the Armed Services Committee that nothing exceeds in possible importance the modification of weather from a national defense standpoint. It also has dramatic possibilities for the relief of areas threatened by hurricane and the relief of

drought areas. I believe that the article to which I refer is well worth inclusion in the CONGRESSIONAL RECORD, and I ask unanimous consent that it be printed as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUGUST TEST SLATED TO FIND WAY TO DIVERT OR DILUTE HURRICANES

(By Howard Simons)

Hurricane Donna, which last September ravaged the Nation's east coast, killing 164 persons, may have provided scientists with a clue that will enable them to divert or dilute future hurricanes.

Late next month a flotilla of Weather Bureau research airplanes, assisted by Navy jet aircraft, will attempt to seed a relatively small cloud accumulation on the rim of a hurricane eye.

This seeding experiment is designed to treat the clouds with chemical compounds to convert supercooled liquid water into ice.

The cloud accumulation to be seeded, which is called a convective cell, was found to have been the flue or stovepipe through which the energy that drove Donna was released.

RELATIVELY SMALL CELL

The cell was located along the right front quadrant of a circle of clouds surrounding the hurricane center. It was relatively small, measuring some 15 miles wide and 30 to 40 miles long.

Sometime this summer, when a hurricane is located, the flying researchers will attempt to learn whether cloud-seeding techniques can change the pattern of energy release through this particular cell.

If seeding proves effective, two possibilities will be open to meteorologists determined to modify severe storms.

1. Changing the forces that govern the maximum winds around the hurricane eye through seeding this particular cell may momentarily divert a hurricane from its natural path.

2. Seeding the cell might cause the eye to rip into two or more storm centers, which might then "fight" one another, thereby causing internal friction that will dilute the hurricane's damaging winds.

This Weather Bureau project—part of the national hurricane research program—represents the most nearly complete, controlled efforts to evaluate the effects of cloud seeding on hurricanes.

Robert H. Simpson, Deputy Director of Meteorological Research for the Weather Bureau and director of the hurricane seeding project, cautions that the present effort "is not an attempt to deflect hurricanes, but will be useful in providing more information on the effects of seeding on hurricanes."

The cloud-seeding techniques to be tested involve silver iodide dispersal. As now scheduled, when a hurricane is spotted, four Weather Bureau research planes will sweep the hurricane and single out the key cell. When the cell is located, a monitor plane surveying the storm by airborne radar will contact high-flying jet aircraft.

THEORY STUDY SUPPORTED

The jets will circle the hurricane and drop newly developed silver iodide canisters. As these pods fall through the cell, they burn and generate smoke containing trillions of submicroscopic silver iodide particles.

Simultaneously, the four Weather Bureau planes will employ conventional silver iodide burners to disperse the particles below the cell, where the chemical particles will be swept upward.

The seeding project is being supported by the National Science Foundation, which is simultaneously supporting a New York University study of the theory of hurricane modification. The hurricane-seeding project will complement this academic work, and what is learned from one project will help the other.

Hurricanes derive their power from a release of heat or energy either by converting water vapor to liquid water or water to ice. Previous hurricane studies have shown that the amount of energy being released can be altered. Scientists, however, still do not know whether they can cause enough energy to be released to make a difference in a storm's intensity. This is one of the questions to be resolved in the forthcoming seeding experiment.

SEEK TO ALTER FORCES

The flying weatherman will try to determine whether by converting water to ice they can release enough heat of fusion into the free atmosphere to alter the natural forces operating in a storm and thereby alter its intensity or its movement.

The lowering of pressure toward the center of a storm, which is responsible for the hurricane's winds, has been found to be controlled by the amount of heat concentrated at elevations above the freezing level, some 16,000 feet in hurricanes.

When water solidifies into ice by cooling, latent heat of fusion is released. This type of heat would be potentially useful in altering the forces in the storm's lower layers that control the intensity of the winds.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. KEATING. I wish to express my gratitude to the distinguished Senator from South Dakota for the leadership which he has taken in this field. It is a field that has interested me a great deal. The control of weather, particularly the effort to break up hurricanes, which have been most destructive and have wreaked havoc throughout our country, is most important. Hurricanes in the last few years have done a great deal of damage along the east coast. I think the Senator from South Dakota is entitled to great commendation.

Mr. CASE of South Dakota. Mr. President, I appreciate the remarks of the Senator from New York, and I wish to say that he has pointed out the possibility of the modification of winter storms in metropolitan areas. His New York State University is presently engaged in projects and research along this line as is pointed out in the article which I have asked to be printed in the RECORD. This project, I believe, is under the direction of Dr. Vincent Schaefer, who originally worked with Dr. Irving Langmuir, famed scientist of the General Electric Co., who were the pioneers in cloud modification. Mr. Schaefer is working on this project in the State of New York, and his efforts promise to contribute a great deal to knowledge in this field. The Senator from New York may well be proud of what the scientists of his State have done in atmospheric physics. Dr. Schaefer is the one who first directed attention to the possibility of modifying hurricane buildups, I believe, and the project noted today warrants the attention of everyone.

LOAN TO BRAZIL TO DEVELOP OIL SHALE INDUSTRY

Mr. CARROLL. Mr. President, I am pleased to know that the administration has decided to give sympathetic consideration to a loan to Brazil to help develop its oil shale industry.

This is something many of us have long sought, not only as a necessary step in the development of Brazilian energy resources, but also as an indirect benefit to the oil shale industry of the United States.

What the Brazilians learn as they begin to produce oil from shale will probably affect the growth of a whole new fuel industry in the United States.

The United States possesses the largest known oil shale deposits in the world. Brazil is second. Between our two countries we own 80 percent of the world's oil shale reserves. It is fitting and proper that, in a sense, a partnership should develop between our countries in the creation of this new fuel industry in the Western Hemisphere.

I am happy that this administration is now moving to establish close ties with Brazil in the development of its oil shale resources.

The approach to this position has not been easy. It required intensive study and consideration.

However, I think we can now agree that a policy position by the administration has been adopted, and I commend the State Department for its forward-looking decision.

I have in my hand a letter given to me by the senior Senator from Oregon [Mr. MORSE], the chairman of the Subcommittee on Latin American Affairs of the Senate Foreign Relations Committee. In this letter the Department of State tells Senator MORSE that it considers the development of Brazilian oil shale "meritorious," and that "sympathetic consideration" will be given an application for a loan to construct a prototype plant in Brazil to extract oil from shale.

Mr. President, the nation of Brazil and the oil-shale-bearing Rocky Mountain States have no better friend in this matter than the Senator from Oregon. Without his help I doubt that the merits of developing a Western Hemisphere oil shale industry could have been dramatized and given significant attention by the necessary people in our Government.

The Senator from Oregon has for some time urged that our Government abandon its longstanding policy of not lending help to a country whose oil industry was nationalized. Brazil's oil industry is nationalized under the government company Petrobras. The Senator from Oregon, in his South America report of January 20, urged that the new administration reverse a previous policy of "no help to government-run oil outfits of foreign countries." On March 27, acting on President Kennedy's orders, the Export-Import Bank announced its new policy.

An article in the Wall Street Journal of March 27 fully describes that action instigated by the new President, and at this point in the RECORD, Mr. President, I ask that the article appear.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK TO ASSIST IN FINANCING MORE ITEMS SOLD ABROAD—AGENCY RESPONDS TO KENNEDY'S CALL TO HELP EASE GOLD DRAIN; OIL EQUIPMENT TO BE COVERED

WASHINGTON.—The Export-Import Bank is expanding the coverage of its credit and loan guaranteeing facilities to include more products and more firms in the export trade.

The object is to spur U.S. sales abroad and reduce the outflow of gold to foreign countries.

Chief among the items added to the list of eligibles for bank credits are oil exploration, drilling and refining equipment. The purchaser can be either a private enterprise overseas or one of the government-run outfits of many foreign countries.

The Bank's plans were announced by Harold Linder, new President and Board Chairman. He said the Bank acted in response to orders from President Kennedy early in February. The President called for an expansion of Export-Import Bank activities to give U.S. exporters full equality with their foreign competitors in terms of Government financial help.

The Export-Import Bank, an independent agency, offers financing for short-, medium-, and long-term export transactions and guarantees against political as well as credit risk. It also makes development loans with the proviso that proceeds be spent exclusively in the United States. Its aid to exporters frees them from responsibility for defaults by the foreign purchaser. Self-supporting in most years, the Bank has on occasion earned profits which are applied to Federal budget receipts.

EXPANDED COVERAGE

With its expanded coverage, the Bank will offer its credits or guarantees to back up exports of practically any kind of materials or equipment. Heavy capital goods such as locomotives and power generators currently make up the bulk of the Bank's financing business. Radios, automobiles, sewing machines and other consumer items which have not been regularly financed by the Bank now will join the list.

The Bank will establish tie-in arrangements with banks and insurance companies to provide guarantees for credit risks, as well as political risks, on export transactions of 180 days or less. At present only political risks are protected under the Bank's provisions, officials explained. Firms dealing in short-term transactions, mainly small- and medium-sized exporters, will be able to obtain comprehensive credit and political risk coverage from selected banks and insurance companies around the country. The Export-Import Bank will issue guarantees to the insuring institutions.

The Bank, which now provides assistance principally to capital goods sold on medium terms, 180 days up to 5 years, will offer its credit assistance for semifinished materials and products and consumer durable goods when sold under medium-term transactions.

POLITICAL RISK INSURANCE

The Bank will insure against political risk such items as equipment or materials going abroad for exhibitions, trucks or special gear shipped overseas on lease.

The creditworthiness of a purchaser or buyer is to be based on more flexible standards in line with what the Bank considers the accepted practices of foreign issues of credit. The Bank will rely heavily on the exporter's record of experience, credit agency reports, and the general reputation of the buyer rather than upon detailed financial reports. But Mr. Linder emphasized that, though less rigid, the standards will be carefully applied. "We are not going to throw our reputation for prudence to the winds," he declared.

Mr. Linder called the new moves a significant departure and said they will be permanent policy. The balance-of-payments problem is "going to be with us a long time," he said.

Mr. Linder would not estimate the effect of these and other measures on the volume of Bank activity. But there had been strong complaints from oil equipment manufacturers, among others, he explained, because their products were not included in the Bank's activities. "We have seen some startling examples of business losses." In one such transaction in Argentina recently, he asserted, several million dollars of U.S. business was lost to European manufacturers of oil drilling and refining equipment because the U.S. Government could provide no credit or loan guarantees to the purchaser.

Mr. CARROLL. After the Brazilian oil shale problem was brought to the attention of Senator MORSE he promptly communicated with Under Secretary of State George Ball and Director of the International Cooperation Administration Henry Labouisse.

The Senator from Oregon [Mr. MORSE] dispatched them the following strong message:

Believe it imperative that United States make firm and definite loan proposal to Petrobras for its oil shale program. It had been my understanding that loan had approval of Department of State and was ready to go; now I am advised that loan funds are said to be exhausted and that nothing is available for this particular loan.

I am not impressed with this contention, any more than I am with arguments that world oil supply is plentiful without Brazil's oil shale coming into production, or that the United States should not lend to a government monopoly. Brazil must utilize whatever resources it has for benefits of its people, just as the United States does. If this country is unwilling to provide loan funds, then Brazil will develop its oil shale with someone else's help.

It makes no sense to send increasing arms aid to South America with the alleged purpose of fighting communism, when a short-sighted aid policy compels a great nation like Brazil to turn to Communist countries for financing and technical help for its fuel supply. The United States would be further ahead to reduce arms aid by $7 million and lend it to Petrobras, instead.

On June 28, the Senator from Oregon took to the floor of the Senate with this issue and made a ringing argument in support of a $7 million loan to Brazil for construction of a prototype plant to extract oil from shale.

Now, as a result of the Senator's entreaties, I think we have what must be considered a firm U.S. commitment to assist Brazil.

On July 5, Assistant Secretary of State Brooks Hays communicated with the Senator from Oregon and at the Senator's request I asked unanimous consent that the Secretary's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., July 5, 1961.

The Honorable WAYNE MORSE,
U.S. Senate.

DEAR SENATOR MORSE: In your telegram of June 28 to Mr. Ball, you urged that a firm and definite loan proposal be made to Brazil to finance a prototype plant for the extraction of oil from shale.

The Department has considered the project and believes it to be meritorious, subject, of course, to a full examination of its technical features. Our Embassy in Rio de Janeiro was consulted on the economic feasibility and priority of the project and the political desirability of U.S. Government financing. The Embassy reply was favorable on both counts.

On June 1, Mr. de Barros, a representative of Petrobras, and Mr. Cameron, of Cameron & Jones, met with the Assistant Secretary of State for Economic Affairs and then with officers of the Export-Import Bank. Mr. de Barros was informed of this Government's sympathetic interest in the oil-shale project and it was made clear that Petrobras sponsorship was no longer an obstacle. Certain difficulties in the way of U.S. Export-Import Bank financing of the project were, however, pointed out, such as the extent of the Export-Import Bank's existing commitments in Brazil and the experimental nature of this prototype plant project. It was suggested that the Brazilian Government might wish to consider shifting to this project certain Export-Import Bank funds available to Brazil from previously authorized credits that have not been fully committed. Should the Brazilian Government wish to do this, the Export-Import Bank would give most sympathetic consideration to an application for the plant.

Mr. de Barros was also informed that, regardless of the source of funds, the Bank could not make a firm commitment in the absence of a fully documented application on the basis of which its Board could pass on the economic and technical feasibility of the project. No such application has as yet been received.

Mr. de Barros returned to Brazil to talk both with the Board of Directors of Petrobras and Finance Minister Mariani to determine whether the Brazilian Government would be prepared to give the prototype plant priority in the use of Export-Import Bank funds already available to it, and to discuss the submittal of a formal application, which Petrobras had been previously unwilling to do. We are awaiting further word from Mr. de Barros and the Government of Brazil.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

Mr. CARROLL. Senators will notice, Mr. President, the firm commitment of the United States, subject naturally to receipt from Brazil of a fully documented application which would justify the technical feasibility of the project.

This, the technicians tell me, is a matter of mere formality.

They have the technical plans ready, and have absolute faith in their ability to produce cheap oil from shale.

The Brazilians, I am advised, are highly encouraged by the tone of the State Department's response.

Secretary Hays says:

The Department has considered the project and believes it to be meritorious.

He says further that the U.S. Embassy in Brazil favors the project on two counts: First, its economic feasibility and priority; and, second, its political desirability.

The Secretary concludes that the United States will give "most sympathetic consideration to an application for the plant."

Sympathetic consideration is what the Brazilians had been receiving for months from the Russians, but not until Secretary Hays wrote Senator MORSE on July 5 had the U.S. Government clearly and officially taken this position.

Now that this policy is established, Mr. President, I am hopeful that the Petrobras representatives and the State Department will quickly work out the technical details so that the $7 million loan can move forward and the prototype plant be quickly put into operation.

This is a project I wholeheartedly support because it is to the benefit of the entire Western Hemisphere.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

REDUCTION OF EXEMPTION FROM PAYMENT OF DUTY BY RETURNING RESIDENTS

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 452, H.R. 6611.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6611) to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 6611), which had been reported from the Committee on Finance, with amendments on page 1, at the beginning of line 8, to insert "(or $200 in the case of persons arriving directly or indirectly from the Virgin Islands of the United States, not more than $100 of which shall have been acquired elsewhere than in the Virgin Islands of the United States)", and on page 2, after line 11, to strike out:

SEC. 2. In applying paragraph 1798(c)(2)(A) of the Tariff Act of 1930, as amended, to articles acquired in the Virgin Islands of the United States by any person—

(1) who arrives in the United States (as defined in sectin 401(k) of such Act) during the period beginning on the 30th day after the date of the enactment of this Act and ending on June 30, 1963, and

(2) who has remained outside the United States (as so defined) for less than 48 hours, the 48 hour requirement in such paragraph 1798(c)(2)(A) shall be treated as satisfied.

And, in lieu thereof, to insert:

SEC. 2. In applying paragraph 1798(c)(2)(A) of the Tariff Act of 1930, as amended, to articles acquired in the Virgin Islands of the United States by any person who arrives in the United States (as defined in section 401(k) of such Act) during the period beginning on the 30th day after the date of the enactment of this Act and ending on June 30, 1963, the 48-hour requirement in such paragraph 1798(c)(2)(A) shall be treated as satisfied.

Mr. BYRD of Virginia. Mr. President, the present law provides a duty-free exemption of $500 for the average U.S. resident returning from abroad.

The pending bill would reduce this $500 exemption to $100 until the close of June 30, 1963, by eliminating the $300 additional exemption and by reducing the $200 basic exemption to $100. Except as explained below with respect to articles acquired in the Virgin Islands, the bill continues the present absence requirements set forth in paragraph 1, above. The exemption may be claimed not more often than once every 30 days. On and after July 1, 1963, the tourist exemption allowances presently in effect would be restored.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from the report. There being no objection, the excerpts from the report, No. 483, were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to provide a temporary reduction from $500 to $100 in the amount of purchases abroad that a returning resident of the United States may bring back into this country free of duty. This proposal was recommended by the President as a part of a program to counter our unfavorable balance of payments.

AMENDMENT

The Finance Committee amended the bill to provide that an additional duty-free $100 worth of goods may be brought in from the Virgin Islands. This would mean that a citizen returning from the Virgin Islands could enter without payment of duty a total of $200 worth of foreign goods, provided that at least $100 of it was acquired in the Virgin Islands. It was felt that, because of its close relationship to the United States, its new program for the promotion of tourism could be assisted in some degree, and that the outflow of dollars to the territories and possessions of the United States is of a much less serious nature than that to other parts of the world. However, the 48-hour rule which applies to all areas except the Virgin Islands would be invoked on all goods not originating there. It should be noted that the amendment does not provide for an additional $200 for the Virgin Islands over and above the $100 provided for other areas. The maximum which could be brought in under any set of circumstances without payment of duty would be $200.

GENERAL STATEMENT

Under existing law, a returning U.S. resident is allowed the following personal exemptions from duty on articles he has purchased abroad:

"1. If the returning resident remains outside the territorial limits of the United States for at least 48 hours, he may claim an exemption from duty for $200 worth of articles acquired abroad. If, however, he returns through a port of entry on the Mexican border, he need only have been absent from the United States for such time (not to exceed 24 hours) as the Secretary of the Treasury has by regulation provided with respect to such port. At present, these regulations require an absence of at least 24 hours (the maximum requirement permitted under the law) in the case of residents returning through one of the southern California ports below Los Angeles. In the case of other ports along the United States-Mexican border, there is no period of absence provided for. The exemption from duty described in this paragraph may be claimed once every 30 days.

"2. If the returning resident remains outside the territorial limits of the United States for 12 or more days, he may claim an exemption from duty for $300 worth of articles acquired abroad. This additional exemption, which may be claimed together with the basic exemption described above, can be utilized only once in every 6-month period."

Thus, for the average U.S. resident returning from abroad, there is an effective duty-free exemption of $500.

The bill reduces this $500 exemption to $100 until the close of June 30, 1963, by eliminating the $300 additional exemption and by reducing the $200 basic exemption to $100. Except as explained below with respect to articles acquired in the Virgin Islands, the bill continues the present absence requirements set forth in paragraph 1, above. The exemption may be claimed not more often than once every 30 days. On and after July 1, 1963, the tourist exemption allowances presently in effect would be restored.

Four hundred dollars of the present $500 exemption allowed returning residents reflects legislation enacted in the early post-World War II period aimed at stimulating the flow of dollars to those countries which then badly needed dollars. In 1948, Congress increased the tourist exemption from $100 to $400. In 1949, an additional $100 was added, bringing the total exemption to its present level of $500.

Dating back to at least 1799, all persons arriving in the United States from abroad were permitted free entry of their personal effects. This exemption was aimed at permitting persons emigrating to the United States to bring in their personal belongings free of duty. However, the law was so written and applied that many U.S. tourists returning from abroad were given the same treatment as was extended to immigrants. In many cases it was alleged that these tourists brought back as personal effects articles which they had purchased on their trip. Because of these alleged abuses the Congress, in 1897, restricted the personal effects provision to immigrants and at the same time provided a $100 tourist exemption for returning U.S. travelers. This $100 allowance remained in effect from 1897 until it was raised in 1948.

In a letter to the Speaker of the House of Representatives requesting this legislation, dated February 24, 1961, the President said:

"After World War * * * foreign countries faced a dollar shortage and, as one measure to ease this shortage, Congress increased the tariff exemption by $300 in 1948 and by $100 in 1949, bringing the total exemption to $500. However, in the light of the existing balance-of-payments problem, this more liberal customs exemption, designed to encourage American expenditures abroad, is not presently warranted. Accordingly, the customs exemption should be returned to the traditional amount."

The reduced amount of tourist exemption called for by the bill will still leave the United States in the position of extending to its returning tourists more favorable duty-free treatment of articles purchased abroad than do most other countries of the world.

The bill provides that, as to articles acquired in the Virgin Islands of the United States, any person who arrives in the United States during the period beginning on the 30th day after the date of the enactment of the bill and ending at the close of June 30, 1963 (the same period that the first section of the act is effective), and who has remained outside the United States for less than 48 hours, the 48-hour requirement in paragraph 1798(c)(2)(A) of the Tariff Act of 1930 shall be treated as satisfied. For this purpose the term "United States" has the meaning given to it in section 401(k) of

the Tariff Act of 1930 and includes all territories and possessions of the United States except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the island of Guam.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

"TARIFF ACT OF 1930

"Title II—Free List

"SEC. 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the island of Guam), shall be exempt from duty:

* * * * *

"PAR. 1798.

* * * * *

"(c) In the case of any person arriving in the United States who is a returning resident thereof—

1. All personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

2. Articles (including not more than one wine gallon of alcoholic beverages and not more than one hundred cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

(A) [$200, if such person] *$100 (or $200 in the case of persons arriving directly or indirectly from the Virgin Islands of the United States, not more than $100 of which shall have been acquired elsewhere than in the Virgin Islands of the United States) if such person arrives before July 1, 1963 (or $200 if such person arrives on or after July 1, 1963), and he either* arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d) of this paragraph), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than forty-eight hours, and in either case has not claimed an exemption under this subdivision (A) within the thirty days immediately preceding his arrival; and

(B) [$300 in addition, if such person] *$300 in addition, if such person arrives on or after July 1, 1963, and he* has remained beyond the territorial limits of the United States for a period of not less than twelve days and has not claimed an exemption under this subdivision (B) within the six months immediately preceding his arrival.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6611) was read the third time and passed.

Mr. KERR. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CASE FOR THE YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, recently my attention was called to an excellent editorial, which appeared in the Berkshire Eagle, published in Pittsfield, Mass., in support of the Youth Conservation Corps legislation which I am sponsoring in the Senate. I ask unanimous consent that this editorial, along with an article from the same publication on the lasting contribution which the CCC camps of the 1930's made in the Berkshires, be printed at this point in the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Berkshire Eagle, Mar. 25, 1961]

THE CCC IS WORTH REVIVING

When the Civilian Conservation Corps disbanded 19 years ago under the pressures of World War II, it left a legacy of outdoor projects whose benefits we still experience. From Roycroft Lookout in Florida to Bash Bish Falls in Mount Washington, the CCC developed the Bershires' natural resources in a way that has enhanced the enjoyment of countless thousands since.

Greylock's Bascom Lodge, Notch Road, Thunderbolt Ski Run, and Stony Ledge Trail; the Pittsfield State Forest's open slope, two ski trails and Berry Pond Road; the Savoy State Forest's Tannery Falls; the Beartown and East Mountain ski areas in South Berkshire—these are but the best known of the landmarks developed during the CCC's 9 years. Elsewhere in the county, the CCC carried out dozens of timber-cutting, trail-cutting, lake-making, and insect-extermination projects whose effects were less lasting but nonetheless welcome at the time.

Supplying the labor for these large-scale outdoor jobs were able-bodied young men—numbering over 3,000 at 14 camps in the Berkshires at the CCC's peak in the mid-thirties—who were unemployable during the great depression. The organization thus did much in the fields of conservation and natural resources development, while helping to ease the chronic unemployment. Of course some boondoggling took place at Berkshire's CCC camps, as it did elsewhere in the country, but on the whole the record here was excellent, good enough to sustain the CCC's reputation as one of the most constructive and creative Federal programs in U.S. history. For this reason older Berkshire residens who remember the CCC and younger Berkshire residents who know of its work will be especially interested in the new administration's proposal for a Youth Conservation Corps.

As outlined this week, the YCC would have much the same basic aims as the CCC. That is, it would provide low-cost labor for a wide range of park, forest, water and soil conservation activities urgently needed today, while furnishing employment for unemployed youths. It is planned to start with about 80,000 young men between the ages of 17 and 19 and expand over a 2-year period to some 150,000.

At present about 200,000 American youths who have dropped out of secondary school are unable to land jobs. Some 7½ million dropouts are expected during the current decade, so that a pool of potential campers will be ready made.

Of course there is one big difference between the CCC and the YCC: the economic atmosphere surrounding them. Back in the 1930's a job—any job—was much coveted; and the week's wages often were all that stood between one man and his fellows on the breadline. Today cash and credit come easier; young men dream bigger dreams; low paid manual labor out in the woods exercises less appeal. Without the CCC's stimulus of starvation and without the Peace Corps' idealistic challenge, the YCC may not be as popular with today's younger generation as it deserves to be. Recruitment may be a problem.

But if the necessary appeal can be generated, the program should prove another success on the order of the CCC. Certainly it promises much in the way of conserving and developing our natural resources while conserving and developing the useful potential of our otherwise idle young men.

[From the Berkshire Eagle, May 15, 1961]

CCC CAMPS MADE LASTING CONTRIBUTIONS TO BERKSHIRES

(By Jack Batty)

The Civilian Conservation Corps was both praised and damned during its existence from 1933 to 1941. But few can criticize the CCC's lasting contributions to the development of natural resources and landmarks here in the Berkshires.

The Berkshires, blessed with some of the East's most scenic country, had hundreds of unknown and undeveloped beauty spots in the early 1930's. Thanks to the efforts of the CCC, which operated 14 camps in the Berkshires during its peak in 1935—many of these natural wonders now are enjoyed by countless thousands of residents and tourists.

Further development of Berkshire scenic areas along similar lines is a distinct possibility now that the Youth Conservation Corps is in the news again. As outlined recently, the Youth Corps would have much the same basic aims as the CCC; providing low-cost labor for a variety of park, forest, water and soil conservation activities, while furnishing employment for unemployed youths. The YCC would start with about 80,000 young men between the ages of 17 and 19, and expand over a 2-year period to some 150,000.

PROPOSED BY SENATOR HUMPHREY

The first results of the newly formed oversea Peace Corps may have a bearing on whether the domestic-oriented Youth Corps is given the go-ahead by Congress. The YCC idea is not a product of the Kennedy administration. It was first proposed in 1959 by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, who also coauthored the original Peace Corps proposal.

The impetus for the YCC comes from the CCC, started by President Roosevelt in April 1933 to create work for thousands of unemployed young men during the great depression, while also beginning urgently needed conservation work.

Very little of the oft-publicized boondoggling took place in Berkshire CCC camps. Critics of the CCC have pointed to the entire effort as a "busy work project," consisting of leaf-raking and rock-pile jobs. To be sure, there were such cases—but they were rare exceptions. George E. (Coddy) O'Hearn, of Pittsfield, who was a supervisor for some of the Mount Greylock CCC field developments, recalls that the men did "real work." "There was no foolishness, no dolling up," Mr. O'Hearn says.

A look at the CCC's accomplishments around the county would bear out that the organization meant business.

MOUNT GREYLOCK, PRIME EXAMPLE

Mount Greylock is one of the county's most unique attractions. Not only is it the highest peak in the State, but Greylock's 3,491-foot altitude is topped in New England by

only a few peaks in the Green Mountains of Vermont and the White Mountains of New Hampshire. Yet before the 1930's, this landmark was practically inaccessible. The CCC put in the Notch Road to North Adams and gravel topped the Rockwell Road from Lanesboro. Along the way, vistas were carved out of dense forest growth to provide motorists with panoramas of the area.

On the summit, Bascom Lodge was completed. Today it is a tourist resting spot and an overnight haven for hikers on the Appalachian Trail, which goes over the Greylock summit.

In addition to clearing of undergrowth, planting of trees, and other conservation projects, the Mount Greylock CCC men developed the famous Thunderbolt Ski Run and the Stony Ledge Trail, and carved out the large auto parking lot at the summit.

The CCC's lasting contributions to Pittsfield State Forest are many. Perhaps the most important was the discovery in May of 1934 of the wild azalea fields near Berry Pond. The azaleas, believed to have been planted by a Revolutionary War veteran, were seen by only a very few people until a CCC worker happened on them during construction of the Berry Pond Road. Now the since-completed auto road to the 2,100-foot summit of Berry Hill enables thousands to view the flowering fields of pink each year in late May and early June.

BOON TO SKIING

On the construction side, the Pittsfield forest can thank the Civilian Conservation Corps for the open ski slope, the Ghost and Shadow ski trails, the ski lodge and State forestry cabins, outdoor picnic spot development, footbridges, parking space, public restrooms, hiking shelters, truck trails, bridle trails, a 10,000-gallon reservoir at the foot of the Shadow Trail, and a 150-acre reservoir of trout raising. In addition, the 128th Company at Camp Pittsfield in the State forest was responsible for the planting of trees, in conjunction with State conservationist aims. A sewage system and water system were also realized.

The Pittsfield forest camp closed in August 1941, with several projects still undone. These included a skyline drive from Route 20 in Hancock to Berry Pond and lookout towers on both Berry Hill and Tower Mountain.

At October Mountain State Forest, the main gravel roads were put in providing entrance to the park from three directions, also picnic and recreational grounds, attractive trails, footbridges, log cabins for tourists, hiking shelters, good guardrails, and two manmade ponds (Felton's and Half-Way). Here, too, considerable attention was given to cutting out undesirable trees, deadwood, and scrub growth while new trees were planted and steps taken toward disease control. Also fire prevention work was undertaken in the forest.

BEARTOWN PROJECTS

In 1953 there were three CCC camps in what is now the October Mountain State Forest. Today the State forest which covers 22 square miles, is one of the largest and ruggedest natural beauty spots in southern New England.

Beartown Mountain, in South Berkshire, which may next winter be revived as a ski area, also was opened up by the work of the CCC. Mile after mile of stone-based gravel-finished roads between Lee and Monterey, Great Barrington and Otos was put in. In all, 22 miles of road were put in around 2,200-foot Mount Wilcox in the park. In addition, numerous picnic areas were established and undergrowth cleared.

The story of Greylock, Pittsfield Forest, October Mountain, and Beartown is repeated at Savoy State Forest, Windsor Mountain, beautiful Bash Bish Falls in Mount Washington, Roycroft Lookout in Florida, and at numerous other Berkshire locations.

While the Youth Corps still awaits a definite legislative effort in Washington, backers of such a movement are active in the Berkshires.

Two years ago a group of local people formed a committee to seek out the advisibility of a conservation work program, to be developed under the Massachusetts Department of Natural Resources. The committee, a United Community Services project, was headed by Daniel J. Renfroe, of Pittsfield. While the committee got a sympathetic hearing with the natural resources department, they were told that a lack of funds precluded any State-sponsored work program.

The conservation work committee also sought unsuccessfully to obtain use of the present Shaker property in Hancock for a campsite.

DEVELOPMENTS AWAITED

At present the committee is not engaged in any active effort for their cause. However, United Community Services spokesman Thomas L. McFalls indicated that the group stated agreement with the original Humphrey proposal in 1959. Mr. McFalls said the committee would watch with interest any efforts this year along national lines to re-create a CCC-like organization.

As an Eagle editorial stated in 1935, it took the CCC to illustrate to Berkshirites the county's many natural assets. Unfortunately, private enterprise has not taken advantage of this potential in the intervening years. The county is still a reservoir of hundreds of untapped natural wonders. Perhaps a Youth Conservation Corps in this decade would rekindle private efforts to take full advantage of our richly blessed environment. The solid legacy of the CCC is one that can be happily built upon.

THE PEACE CORPS

Mr. HUMPHREY. Mr. President, I commend to the attention of my colleagues two commencement addresses delivered by the able and distinguished Director of the Peace Corps, Mr. Robert Sargent Shriver.

The addresses, delivered at the University of Notre Dame on June 4 and at De Paul University on June 7, are inspiring expositions of the ideals and goals of the Peace Corps. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

COMMENCEMENT ADDRESS, UNIVERSITY OF NOTRE DAME, NOTRE DAME, IND., JUNE 4, 1961, BY ROBERT SARGENT SHRIVER, JR.

Today is graduation day at Notre Dame—your graduation day—the day you have longed for and worked hard to reach—the day your parents have saved and planned for. It is a day for congratulations and rejoicing. On this day every hope and dream and ambition seems attainable. The young can optimistically anticipate futures filled with happiness and success; parents and teachers can thank God for permitting them to share in the present triumphs and to indulge in happy foretastes of future achievements.

But today is an important day, not only in your lives, but in the history of higher education in our country. For on this day I am privileged to announce the first agreement of its kind ever reached between an agency of the U.S. Government, a consortium of American universities, and a foreign country.

The foreign country is Chile.

The agency of the U.S. Government is the Peace Corps.

The consortium of American universities is the Indiana Conference on Higher Education, with your own university, Notre Dame, taking the lead and serving as the principal agent in this new arrangement.

What's new about this agreement? Many things.

First: There are 34 colleges and universities all cooperating in it. That's never happened before.

Second: Among these colleges are Catholic, Quaker, Methodist, Presbyterian, and other religious institutions, all working together to achieve a national goal. And these private, educational groups have been joined by the public universities and colleges like Purdue, Indiana University, and Indiana College. This broad cooperation on a joint enterprise has never happened before.

Third: This consortium of private, educational institutions has agreed to work with and through a private Chilean organization called the Instituto de Educación Rural—and for the first time the Chilean Government has put its blessing on such an undertaking.

Fourth: The U.S. Government, represented by the Peace Corps, has entered an agreement with all these universities and colleges more flexible, simpler, easier to administer and satisfying to the academic community than ever before.

And finally, of course, this is the first Peace Corps agreement ever negotiated with any university or group of universities.

So far as I am concerned, this is not just news in the transient sense of here today, gone tomorrow. Much more than that, it is the fulfillment of a most important objective.

In his message to Congress on the Peace Corps, President Kennedy said that many of the most important Peace Corps projects would be carried out in partnership with American colleges and universities. Those of us in the Peace Corps have felt from the very beginning of this program that the academic institutions of our Nation have the accumulation of oversea experience the reservoir of trained leadership and the inherent core of intellectual and spiritual dynamism necessary to make a far-reaching contribution to international service. For example, in our new budget of $40 million, we have in fact proposed that $26 million—much more than one-half the total—be expended through universities and private, voluntary agencies.

But it hasn't been easy to work out this new marriage between government and education. At one point Father Hesburgh, Peter Fraenkal, of Indiana University, and a Peace Corps staff member went all the way to Chile and worked there for 2 weeks straightening out details. Also, within the Federal Government there are many laws and regulations to observe in any attempt, no matter how well intentioned, to open up new, more effective ways of doing business between private institutions and the public.

But success has come, and with it a great new chance for our universities, our Government, and for our university professors and students. Under this new agreement, young men and women from the heartland of America will be recruited, trained, and sent abroad to work in that part of Chile where the need and the opportunity are greatest. They will go there not for a summer vacation of fun or excitement, not to look-see like tourists, not to look down upon the ignorant and poor from a position of lofty, Yankee superiority. Instead they will be sent to work and work hard alongside other human beings in need of what we and we alone can give them—hope, skill, and a knowledge of the dignity of man under the Fatherhood of God.

Peace Corps volunteers will work in horticulture, animal vaccination, carpentry, family education and recreation, home economics, health education, first aid, and child care. They will work with Chilean experts and with Chilean students.

One of their most important tasks will be to develop more interest in radio educational programs designed to lift the standard of learning in the villages of Chile.

In our country, Peace Corps volunteers will receive intensive training—in languages, in physical fitness, in the history, culture, and customs of Chile. And in Chile they will get additional training from the Instituto de Educación Rural, the private Chilean organization distinguished for its excellent program in fundamental education and community development in rural areas.

But you may say: Why should we go to all this trouble for Chile? There are many problems here at home. The poor and the needy are here too.

The answer is easy and true even though you may not believe it. It's very simple.

First of all, there's nobody in this country as poverty striken and hopeless, no one as cut off from education opportunity and medical assistance as the millions in the southernmost Chile, in India, in Pakistan, in northeastern Brazil, and in many other countries. There is no comparison between the need abroad and the need here at home.

Second, and more important, is the fact that we as Christians must fulfill our obligations to our fellow men, or God may well permit others to crush us. Either we do these jobs or the Communists will. And if we don't meet the test, the days of the Catacombs will return sooner than anyone in this audience suspects. For as our Lord Himself said:

"Would that you were cold or hot; and so because you are lukewarm and neither cold nor hot, I am going to vomit you out of my mouth.

"You say, 'I am rich and have become wealthy and have no need of anything. But you do not know that you are wretched and pitiable and poor and blind and naked.' "—Apocalypse 3: 15–17.

The shocking fact is that this is exactly what the Communists say about us.

The Communists say that Americans have gone soft. Only recently Khrushchev branded American young people as "dissident good-for-nothings." On my recent trip around the world, I encountered serious doubts about the ability of Americans to make the sacrifices essential for the Peace Corps or any other program of voluntary service abroad. The one big question seems to be, Is America qualified to lead the free world?

I believe we are and I'll tell you why.

The Peace Corps has been in existence only 3 months, but I have talked to many would-be volunteers who have the faith and conviction to make the sacrifices necessary to serve under the Peace Corps conditions and according to Peace Corps standards in various parts of the world.

They have been called the silent generation, these men and women who are volunteering to serve in the Peace Corps, as surveyors in Tanganyika, farm extension workers in Colombia, teachers in rural schools in the Philippines, and now as community development workers in Chile. They are coming quietly to enlist for 2-year terms of hard work in Africa, Asia, and Latin America. I believe they will meet the great tests they will face abroad with calm humor and steady perseverance.

For inside the silence, contained by a tough shell of skepticism, is a core of idealism. The stirring words of Wilson and the radiant optimism of Roosevelt have been tempered by world wars and depressions and by the long winter of the cold war. But I am convinced that faith in democracy, the belief in a civilization based on the God-given dignity of the individual human being, the readiness to sacrifice to enable such a civilization to live and grow—this is there, this has been waiting to be tapped, this is what the Peace Corps is tapping.

Nikita Khrushchev is not alone in doubting the fiber of modern Americans. This is a question asked all around the world.

In India, Ashadevi, a spirited woman associate of Gandhi, was so stirred by the idea of the Peace Corps that she interrupted her pilgrimage in Assam, traveled 3 days and 3 nights on a train, to put one great question to me:

"Yours was the first revolution," she said. "Do you think young Americans possess the spiritual values they must have to bring the spirit of that revolution to our country?"

"There is a great valuelessness spreading in the world, and in India, too," she said. "Your volunteers must not add to this. They must bring more than science and technology. They must be carriers of your best American values and ideals. Even the Russians have their values beyond science and technology. Your Peace Corps must touch the idealism of America and bring that to us."

This is our aim, I assured her.

But how will we accomplish it?

First of all, by a very careful selection of the men and women who are accepted as volunteers. The academic tests which each applicant takes, the personal interviews he will have, the medical and psychological examinations, and the screening that will go on during training are all designed to pick out volunteers who will represent the best of American life, thought, dedication, and skill. We want men and women who are fit, physically, mentally, and spiritually, who are ready to work with their heads, their hands, and their hearts; who are able to discuss the Declaration of Independence and the problems of modern democracy with a student in Ghana or a farmer in Colombia; and who are trained to do a job that is needed and desired in the host country. I believe we will find these men and women among the 10,000 who have already volunteered.

Second, we will provide intensive training in the language, history, current affairs, and customs of the country to which they are going; in the health care required; and in the work to be done. Intensive refresher courses in American history and Government will help prepare volunteers for some of the questions they will be asked. Training periods will also be conducted in some of the countries where the volunteers will serve.

For men and women selected and trained in these ways, there is an abundance of jobs in the developing nations. The Peace Corps needs both college graduates and skilled workmen who have not been to college; we need both liberal arts graduates and graduates with specialized degrees; we need both men from business and men from labor unions; we need women as well as men. The list of requests already includes doctors, nurses, public health workers, lawyers, farmers, labor negotiators, management experts, engineers, plumbers, electricians, athletic coaches, and teachers of all kinds, including teachers of English, for primary and secondary schools and in universities.

The eight countries I recently visited asked for more than 3,500 Americans immediately. Prime Minister Nehru of India, President Nkrumah of Ghana, Prime Minister U Nu of Burma, President Garcia of the Philippines all hailed the Peace Corps. Some of them, I do not have to remind you, have not been favorable to all American policies.

In the Punjab, the chief of a village said: "If someone from the Peace Corps would come here, we would welcome him. Whatever poor facilities we have, we would share with him." In another country the governor of a province said: "We have the mind and heart to do things. Our people are ready to move. We need your skills to help us start."

The real question, then, is not one of demand, but supply. Can we really find, recruit, and train Americans who will meet this challenge?

I think we can. Almost 4,000 Americans have already taken the first Peace Corps tests. Applications are coming in at the rate of more than 100 a day. These volunteers are saying to the world: "You can count on us."

There is a worldwide struggle going on. A revolution. All men are trying to achieve human dignity and a common identity. You and I are part of that struggle, for no matter whether a man be Jew, Buddhist, Moslem, Hindu, Communist, or Christian, he has been born of woman like every other man alive, he is living on this small spinning planet like every other man alive; he needs food, shelter, and spiritual comfort like every other man alive; and he will die the death like every other man alive. And if there is a destiny after death, the community of our experience here on this earth indicates that any life hereafter will be common to all.

It is easy to see and even magnify the differences among men: Color, education, genetical inheritance, religion. But the new generation is beginning to realize that whereas political nationalism and economic aggressiveness may divide men, the most important of all experiences unite them—birth, marriage, death, destiny.

Many people in our land and overseas may not yet even understand why they are so stirred within their deepest reaches, but, as President Kennedy said in his message to Congress on the Peace Corps: "Throughout the world people are struggling for economic and social progress which reflects their deepest desires. Our own freedom, and the future of freedom around the world, depend, in a very real sense, on the ability to build growing and independent nations where men can live in dignity, liberated from the bonds of hunger, ignorance, and poverty."

The purpose of the Peace Corps is to permit Americans to participate directly, personally and effectively, in this struggle for human dignity. A world community is struggling to be born. America must be present at that birth, helping to make it successful.

Our volunteers must go with a true spirit of humility, seeking to learn as well as to teach. If they go in this spirit, America will gain most. And our greatest gain will be measured in the lives of the volunteers. They will, as President Kennedy has said, "be enriched by the experience of living and working in foreign lands * * * they will return better able to assume the responsibilities of American citizenship and with greater understanding of our global responsibilities."

Notre Dame is famous for its Victory March. It is famous for its philosophy of playing the game to win. As General Douglas MacArthur said and as Notre Dame practices—"There is no substitute for victory."

I hope and believe that in its program with the Peace Corps Notre Dame will live up to its reputation for success.

COMMENCEMENT ADDRESS, DE PAUL UNIVERSITY, CHICAGO, ILL., JUNE 7, 1961, BY ROBERT SARGENT SHRIVER, JR.

In speaking to you men and women of De Paul, I want to set forth not the doctrine of what Theodore Roosevelt called ignoble ease, but the doctrine of the demanding life, the life of sacrifice and service, of work and toil in the interest of your country.

Around this globe people are wondering if Americans can live that doctrine as well as preach it. There is one big question: Is America qualified to lead the free world?

Why are they asking it? Why is there doubt? Because of the evidence that Americans have gone soft and are no longer capable of sustained personal sacrifice for their country. The president of one of our largest universities says we are beset by "spiritual flabbiness." I recently heard it said that we are producing a strange new kind of human being—"a guy with a full belly, an empty mind, and a hollow heart."

John Steinbeck, writing to Adlai Stevenson, pointed with alarm to four impressions of the American people he has gained in the last few years: First, a creeping, all-pervading immorality; second, a hunger, a thirst, a yearning for something unknown; third, the violence, cruelty, and hypocrisy symptomatic of a people which has too much; and, fourth, the surly, ill temper that afflicts human beings when they are frightened.

Where do we go to gather additional evidence? We might pick up the New York Times and glance at the accounts of price fixing in the business community and featherbedding in the labor movement. We might go to the Department of Army records of American prisoners of war in Korea and discover that one-third of those prisoners collaborated with the enemy and 38 percent of them died—as contrasted to the 229 Turkish soldiers imprisoned of whom none died and none collaborated with the enemy.

We might call as a witness Forrest Evashevski, athletic director at Iowa State, who would tell us that when he recommended a top graduate for a job with a major American company, the first question the young man asked was: "What are the pension benefits?"

Americans are not alone, however, in doubting the intellectual and spiritual fiber of modern America. I encountered these doubts all around the world on my recent trip. "Yours was the first revolution," I was told in India by Ashadevi, a vigorous woman associate of Mahatma Gandhi. "Do you think young Americans possess the spiritual value they must have to bring the spirit of that revolution to our country? Your Peace Corps must touch the idealism of America and bring that to us. Can you do it?

She put that question to me and I pass it on to you—to those of you who may be saying, as college graduates often do: "I can't think of anything to do."

Let me tell you that a world is waiting for you, and there is plenty to do. I came back from this trip with requests for more than 4,000 Americans to work in just the eight nations I visited. I am convinced that 50,000 jobs need filling—and they need filling now—in the 103 underdeveloped areas of the world. One after another the leaders of Africa and Asia not only welcomed the idea of the Peace Corps, but they requested Peace Corps volunteers to serve in their countries.

Prime Minister Nehru asked us for agricultural extension workers to help meet India's staggering food deficiency. Gandhi himself had said India teems with millions who have to go without two meals a day and to whom the only form in which God dare appear is food. The Peace Corps is going into the Punjab in India; I hope some of you here will go with us.

Prime Minister Nkrumah of Ghana asked for plumbers, teachers, and electricians. "Send us teachers," he said, "teachers of science and math and of all subjects—teachers for our elementary schools and our secondary schools and our universities. And send them," he asked, "by August."

U Nu in Burma wants health workers—sanitation engineers, nurses and nurses' aids, doctors, dental technicians, just to mention a few—and he needs them desperately to help his people lift the burden of disease from their lives.

The leaders of Nigeria—Prime Minister Azikiwe, Sir Tafewa Balewa, and Sardona of Sukutu—unanimously requested teachers. A similar request came from President Garcia of the Philippines. You may know of the magnificent work done in the Philippines 50 years ago by Americans—known as the Thomasites because of the name of the ship that carried them over. These Americans went out to teach English. They helped to make it the national language—the glue that holds together the diverse elements of the Philippines—so that today English is in fact the national medium of instruction after the third grade. Unfortunately, the capacity of the Philippine school system to teach English effectively has steadily declined so that today it is becoming more and more corrupted by local dialects and usage. The Government of the Philippines has asked the Peace Corps—and we have agreed—to send 300 teachers' aids to stem the current deterioration of English instruction. Again, I hope some of you will be among those teachers who will serve in the Philippines.

Do you need to be an expert in teaching English or a specialist in the teaching of science? No. The principal resources that you would take to the school situation in the Philippines would be your command of English as a native speaker and a general background in the field of science and technology. Those talents would be improved by a period of intensive training under Peace Corps auspices before you leave America.

Perhaps you are beginning to see that the basic concept of the Peace Corps is to send trained and talented Americans to do needed jobs in other countries of the world. The resources of capital, of technology, and of leadership in these countries could be far more productive than they are today if one critical element were not missing. That missing element is middle manpower—not leadership at the top, for many of the leaders in these countries possess exceptional qualities and were trained in Western universities; and not unskilled manpower at the bottom level, for these countries usually have an abundance of manual laborers. But a gap exists in the middle level for people who can and will do a job. The Peace Corps proposes to help fill those gaps in the low-income countries by sending men and women with college, university and professional training, with teaching, craft, farming, organizing and leadership skills. Rather than advise and counsel the local people on how to accomplish their jobs, Peace Corps volunteers will go to help do the work and in the process will teach local people to do it themselves.

Life for Peace Corps volunteers will be simple and inconspicuous, and the standard of living will be similar to that of the local people, but sufficient to maintain health and effectiveness. The work will be hard and demanding and at times may be even dangerous. But there are rewards that go beyond the living allowance and the $75 a month that the volunteer earns while in the Corps.

Peace Corps Volunteers will learn from a different culture; they will be performing important work for another country; they will be serving their own country and the cause of freedom; above all, they will be proving that Americans are ready to join hands with other people in a serious pursuit of peace.

The demand is there—for every kind of talent, skill, and profession. Now the question is: What of the supply? Are enough qualified Americans available and willing to spend 2 years in a tough assignment abroad?

Mr. Khrushchev says, "No." Only the other day he branded American young people as "dissipated good-for-nothings." I think he will eat those words when he learns that response to the Peace Corps is already proving that Americans of diverse training and abilities are stepping forward in large numbers to say, "You can count on us."

Almost 4,000 Americans of all ages took the first battery of Peace Corps examinations last week—despite the fact that the tests were given during final examination periods on many college and university campuses and despite the fact that our tests are purely voluntary. (What kind of response would a professor at De Paul get if he announced, "We're going to have an exam Saturday; you're invited to take it if you want to.")

Another barometer of the response the Peace Corps has evoked are the descriptive statistics of volunteer questionnaire forms we have received. Of the first 4,800 eligible questionnaires that we have examined, these interesting figures turn up:

Seven hundred and twelve applicants have professional skills in operating a tractor. One hundred and seventy-two can run a bulldozer. There were 616 people with professional skills as carpenters, 205 as surveyors, 295 as electricians, 193 as masons, and 196 in metalworking. Three hundred and seventy applicants had professional experience with biology laboratory equipment and 473 with chemical laboratory equipment. Two hundred and seventy were professional nurses.

Of the 4,800 applicants, 1,817 were college graduates and 1,203 persons had 1 or more years of graduate work. One thousand of them can speak Spanish and another thousand can speak French. Sixty-six speak Portuguese, 24 speak Arabic, 22 speak a Chinese language, and 12 speak Hindu or Urdu.

Out of the first 4,800 [1] qualified applicants, here are a few statistics:

Ages	Male	Female	Marital status	Total
21 to 25	1,729	778	Single	2,507
26 to 30	497	189	do	686
31 to 50	317	120	do	437
66 and over	72	27		99

NOTE.—Total of all ages: 3,061 males, 1,356 females, single—174 married couples.

Skills	Professional	Amateur
Farm equipment	580	538
Bulldozer	172	290
Carpenters	616	1,462
Plumbers	259	660
Nursing	270	344
Electricians	295	684
Surveyors	205	371
Automobile mechanics	406	926
Handicrafts	313	868
Tractor operators	712	263
Knowledge of foreign areas	2,462	

Language skills: Give a short talk, read a newspaper, write a letter, understand a discussion: Number who can do at least two—Spanish, 1,028; French, 1,048; Italian, 203; Portuguese 66; Hindu and Urdu, 12; Mandarin, Cantonese or other Chinese, 22; Arabic, 24. Forty-eight claimed skills in language of Far Eastern countries.

Activities: Football, 880; swimming, 2,520; mountain climbing, 495; working with youth groups, 2,100; volunteer in hospital or clinic, 407.

Educational level: 1,203 had 1 or more years of graduate or professional skill; 1,817 had completed college; 1,248 had completed 1 to 3 years of college; 389 had completed high school; balance were less than 12th grade or indicated a different arrangement, such as foreign educational school systems, tutors, etc.; 70 or more hours of English and foreign languages, 207; 70 or more hours of engineering, mathematics, chemistry, 192; people who have taken education courses, 1,047.

[1] Peace Corps now has 10,000 applicants.

But these first 4,800 are going to be only a drop in the bucket of demands that have been and will be made for Peace Corps volunteers. We are still getting more than 150 applicants a day. But even so, there is going to have to be a total response by the American community if America through the Peace Corps is going to be successful in mankind's relentless struggle against poverty, disease, ignorance, and tyrrany.

A major response must come from American business. Paying taxes is no longer in itself sufficient; the Peace Corps needs the kind of trained and aggressive people who make a success in business. I spent 12 years in the business world in Chicago and I saw men and women with the fire and drive we need in the Peace Corps. I say to them: "We need you. Come and join. Your ideas, your innovations, your dynamism will find a fertile field in the newly emerging nations." I hope American businesses and industries will provide 2-year leaves of absences, without pay, but with reemployment benefits for their employees—whether top-level administrators or secretaries—who can meet a critical need abroad.

American labor must respond, too. Already we have received urgent requests for plumbers, electricians, carpenters, and teachers for technical trade schools. Can we meet these requests? Only if the American labor movement can provide the skilled manpower from its ranks to serve abroad. I am hopeful that labor—like business—will grant its people who enter the Peace Corps the reemployment rights that have been accorded up to now only to veterans of war.

Others must also respond. The academic community must give us teachers and administrators to fill critical shortages around the world. Farm groups must step forward with youth trained in agriculture, animal husbandry, animal disease control, irrigation, seed and plant multiplication and distribution, and machinery repair. Women must respond, too. Many countries have already specifically requested women to serve as nurses' aids, teachers, and child care workers.

But in the final analysis, the most urgent response must come from you men and women here today. You are America's capital—her most valuable resource—in the revolution that rocks the foundations of the world even at this moment. We cannot fail in this great contest between freemen and tyranny. Communists are not supermen. They are average human beings who often perform below average. If we fail, it will be because we did not give the best that is in us.

Since that day Abraham set out from his city founded "on blood and fear and injustice" searching for a city "whose builder and founder is God," men have longed for a new order. Plato wrote about it in his Republic. Gandhi saw it in the "Kingdom of Ruma." Sir Thomas More yearned for it in Utopia. The Hebrew prophets peered into the future for the day when nations would beat their swords into plowshares.

Today the longing is epidemic for a new order in which justice and peace prevail and all men share a better life. The Peace Corps is a small part of the effort needed to achieve that order.

I go back to the words of Ashadevi, who traveled 3 days and nights in India in order to put one question to us: "Your Peace Corps must touch the idealism of America and bring that to us. Can you do it?"

Only you can answer her question.

ATTITUDE OF AIR FORCE ON BOMBERS

Mr. GOLDWATER. Mr. President, the freedom of the press carries with it a double responsibility. One responsibility is to report to the people, and the other responsibility, of course, is to report accurately. I believe a great majority of the press in this country recognize these responsibilities, and do their best to adhere to both of them.

However, yesterday in the New York Times there appeared an article which I must take the floor to correct. The article I refer to carried the headline "Air Force Charts Plea for Bombers." The subheadline was, "Plans Vigorous Appeals for More Funds in Wake of Soviet Show of Power."

The article was written only 2 or 3 days after the Sunday show in Moscow, and to my definite and absolute knowledge the Air Force had not discussed the show in an official way.

The article quotes "qualified sources," which, of course, is a good "gimmick" to use if it is desired to escape responsibility. The writer uses the expression "qualified sources" in maying:

> Qualified sources said Gen. Curtis E. LeMay, Chief of Staff of the Air Force, planned to urge greater outlays than the administration had requested to develop the controversial B-70 supersonic high altitude bomber.

I have inquired of the Air Force concerning this report, because of my rather close connection with it. I had not heard of any plans of the Air Force to urge speedier development of this aircraft, even though I personally believe that such action should be taken. I was told that neither General LeMay nor Secretary Zuckert had at any time in the last few days made any remarks to anyone that would indicate that the headline and the substance of the story that appeared in the New York Times carried any truth at all.

I asked representatives of the Air Force about the article, because, naturally, a Senator is interested particularly in a subject that is fairly close to his own heart. I was told that no comments have been made to the press relative to this subject, and that the only possible source that could have been depended upon was a press release that was made by the Department of Defense, not the Air Force. That release was handed out, I believe, either Monday or Tuesday morning by the Department of Defense. But in the New York Times article, in using the release almost verbatim, the article stated:

> In response to questions, the Air Force observed—

Further down—

> The Air Force said—

Mr. President, the release was made by the Department of Defense. Again I can report to my colleagues in the Senate that no release has been made by the Air Force concerning the show is Moscow last Sunday. I do not doubt that a release will be made, but such a release has not been made up until now.

At another point in the article it stated:

> The Air Force in response to questions—

No questions have been asked or answered, so far as I have been able to ascertain. The article further states:

> The Air Force identified the new heavy bomber displayed in last Sunday's Moscow show as a craft that had been known to be under development for a number of years.

Mr. President, although I do not have the Defense Department release in my hand, I am sure this part of the article was taken almost verbatim from the Department of Defense release, not from any release issued by the Air Force. The Air Force has not officially identified this or any other craft in the show of last Sunday.

This is a time in the Nation's history when newspaper reporters must work very assiduously to make certain that what they print in their papers is true. This article can be read by the casual reader of the newspaper as an attempt by the Air Force officials to repudiate the orders and desires of their Commander in Chief, the President of the United States, John Kennedy. That certainly would be the last thing that either Curtis LeMay or Secretary Zuckert would ever do. Neither of these men would do that, or go over the desires of the President, even though there are some of us who would like to see them do it. They owe allegiance to their Commander in Chief, and they observe allegiance to their Commander in Chief. I believe that the New York Times was wrong in attributing this source to the Air Force, and in attributing certain words and actions to the Air Force. That is not the case at all.

WITH ALL DELIBERATE SPEED

Mr. KEATING. Mr. President, in these days of world crisis, none of us should engage in captious criticism and no one would want our Government to act hastily. No one would want the administration to initiate any policy without careful study.

Yet at the same time, Mr. President, there is a limit to what can be accomplished in the world by study alone. The Federal Government is not writing textbooks; it must ultimately formulate and carry out policies, on a worldwide arena. Even in the daily conduct of our Federal bureaucracy, where it is customary to move with all deliberate speed, deliberation should not be a substitute for decision. It is a matter of genuine concern then, when we learn that our Government's response to the Berlin crisis is a study—a new study—of our Nation's defenses. One such study has already been undertaken. If the first study was not good enough, how will the second one be any better? What we need now on Berlin is a position, not a position paper. A policy, not a mere preamble.

The deliberation with which the wheels of our Government turn was most forcibly and directly brought to my attention this week when I received a communication from the Department of State dealing with another crucial area of international relations, Cuba. The letter was in response to my expression of concern over the Government policy of permitting continued importation of such Cuban products as tobacco, molasses, fruits, and vegetables. It was dated July 7 and it advised me that the administration shared my concern that the hostile Castro regime was still deriving

benefits from U.S. trade. I was assured that the administration had the question of Cuban-American trade relations under intensive study but had not yet reached a decision.

Yet, Mr. President, the letter had a familiar ring. Back in February, I received a reply to an earlier query which I had sent to the Department of State on this very question. At that time I was assured that the Department, together with other agencies of the government, was studying the Cuban trade question with the view of determining what further actions in this area might be taken.

Now I submit, Mr. President, that any problem of trade relations placed under the microscope of intensive study for a period of nearly 5 months should be analyzed sufficiently to suggest positive remedial action. If tiny Cuba requires such protracted intensity of study, without result, our trade relations with the rest of the world seem to pose an eternal and insoluble problem.

After all this labor of the mountain with not even a mouse forthcoming, I believe it is reasonable to express concern that a matter of such serious import has taken such an inordinately long period of study. Delay is no ally of ours. It can only strengthen the hand of the Cuban commissar, and advance the very cause we are pledged to oppose.

Mr. President, how long will it be before the Soviet Union establishes military bases and missile launching sites in Cuba?

How long will it be before the island is virtually annexed to the Soviet Union as another Soviet Socialist Republic? How long are American dollars going to be used to help Castro buy Red arms and equipment to use against his own people?

The question is under study, we are told. But someone may not have been doing his homework because it is certainly time for this study to be concluded and for a new chapter to be written in which the American people demonstrate their determination to rid the hemisphere of Castro's Communist satellite.

Mr. President, in order that my colleagues may also have an opportunity to study the question of Cuba and the need for a complete trade embargo against Cuba, I ask unanimous consent to have both letters from the Assistant Secretary of State printed directly following my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., February 16, 1961.

Hon. KENNETH B. KEATING,
U.S. Senate.

DEAR SENATOR KEATING: I have received your communication dated January 31, 1961, in which you express concern over the policy of permitting the importation of Cuban tobacco, molasses, and other products, thereby providing Castro Cuba with dollar exchange.

As you know, Cuba's dollar earnings were reduced by some 70 percent when the Cuban sugar quota was set at zero. The current annual rate of importation from Cuba is now estimated to be $60 million consisting, as you have stated, mainly of tobacco, molasses, fruits, and vegetables.

I can assure you that the Department, together with other agencies of the Government, is studying the Cuban trade question with the view of determining whether there are further actions in this area which might be taken in a manner consistent with our international obligations.

Please call on us if we can be of further assistance.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

DEPARTMENT OF STATE,
Washington, D.C., July 7, 1961.

Hon. KENNETH B. KEATING,
U.S. Senate.

DEAR SENATOR KEATING: I have received your letter of June 22, 1961, inquiring whether the Department is giving consideration to the imposition of an embargo against Cuban goods, a step you have suggested on several occasions.

The Department appreciates your continuing interest in this matter and, as you know, shares your concern that the hostile Castro regime continues to derive benefits from trading with the United States, although on a greatly reduced scale. I can assure you that the administration has the question of Cuban-United States trade relations under intensive study. A final decision on this matter, however, has not been reached at this writing.

Please call on us whenever we can be of assistance.

Sincerely yours,
BROOKS HAYS,
Assistant Secretary
(For the Secretary of State).

CONFERENCE ON "WELCOME CORPS"

Mr. KEATING. Mr. President, on July 5 I wrote a letter to Secretary Hodges urging that he call a conference of the several national organizations which have a role to play in greeting and assisting foreign visitors in communities throughout the country. I think these activities should be coordinated and accelerated. They are an important adjunct of the U.S. Travel Service recently established by the Congress to promote tourism to the United States. I propose calling these local groups Welcome Corps.

Yesterday I received a reply to my letter from Mr. Edward Gudeman, Under Secretary of Commerce, indicating that the Department is actively interested in efforts to assist foreign visitors. Because I believe this is an extremely important program, I ask unanimous consent to have the text of my letter appear at this point in the RECORD, in order that it may receive the attention of local or national groups which would have an interest in working on the several functions which I have listed as possible activities of the Welcome Corps.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 5, 1961.

Hon. LUTHER H. HODGES,
Secretary of Commerce,
Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: As one of the Senate cosponsors of the bill to set up a travel service in the Department of Commerce, I want to wish you every success in the implementation of this useful and important program which was signed into law by the President last Thursday.

Several weeks ago, I mentioned on the floor of the Senate that one of the most important aspects of promoting tourism to the United States should be the establishment of voluntary, community programs to see to it that our visitors are well received once they arrive in the United States. In a sense, this is the other side of the coin of the Travel Service. If we do not make visitors comfortable while they are in the United States, then all of our efforts to promote tourism will be to no avail.

I hope you agree that it would be helpful for local groups in key areas to set up programs to greet and assist foreign visitors. I have suggested calling these groups Welcome Corps.

Efforts are already underway in New York City to develop a comprehensive, citywide program to assist foreign visitors. Among other activities, such a program could include: (1) meeting and aiding incoming tourists at the major terminals; (2) seeing that foreign language speaking personnel are available in stores and hotels; (3) providing an information center for foreign visitors in an accessible place; (4) arranging opportunities for Americans to meet socially with visitors of similar interests and background; and (5) dealing with emergencies and crises that may arise while a visitor is in the United States.

I feel strongly that the work of the Welcome Corps would be a valuable supplement to the travel service program which your Department is about to undertake. Furthermore, I think it would be entirely appropriate for you to organize and sponsor a conference in Washington of representatives of the several national organizations which would have a role to play at the local level in conjunction with the work of community Welcome Corps. I urge you to give serious consideration to calling a conference along these lines to explore the need for coordinated local programs to welcome and assist visitors from abroad. These programs would greatly enhance the value and meaning of the work of the U.S. Travel Service as regards promoting oversea tourism as well as strengthening America's image to people of the free world.

With best personal regards, I am,
Very sincerely yours,
KENNETH B. KEATING.

UNITED STATES TO ASSIST WORTHWHILE FOREIGN AID PROJECT

Mr. KEATING. Mr. President, some time ago, in mid-April, I inserted in the RECORD an article from the New York Times outlining the fine work performed in India by Dr. Welthy Fisher, of Rome, N.Y., at Literacy Village in Lucknow, India. Dr. Fisher has organized and runs what I would call a private foreign aid project in India to combat illiteracy, by teaching adults to read and by encouraging others to do the same. Like a stone thrown into a pond, her efforts have multiplied in benefits.

For some time, Dr. Fisher has tried to obtain a small amount of assistance from our official Government foreign aid agencies. I am very happy to report that the Department of State has just informed me that under the terms of Public Law 480, $151,000 in local currency will be made available to supplement Dr. Fisher's work. I also understand that a Fulbright exchange lecturer will assist in the training of new literates. And there is also a possibility that two Peace Corps volunteers may be assigned to the program.

Mr. President, if all our foreign aid projects were as carefully directed to the needs of the people, as devoutly and sincerely carried out, and as successful in their results as the work of Dr. Fisher, the free world would have nothing to fear from Communist dictators. The work of Dr. Fisher deserves continued support and encouragement.

Mr. President, I ask unanimous consent to include letters from the Department of State, from the Peace Corps, and from Dr. Fisher herself in the RECORD at this point.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., July 10, 1961.

Hon. KENNETH B. KEATING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KEATING: Your request of June 17 for information on the status of Mrs. Welthy H. Fisher's application for Public Law 480 assistance to her literacy village project in India has been referred to the Department by the International Cooperation Administration.

I am pleased to report that the Department's Bureau of Educational and Cultural Affairs has already approved the allocation of the equivalent of $151,000 in Indian rupees under Public Law 480, section 104(k), for this project and that Mrs. Fisher has been informed of this decision. All that remains to be done is to negotiate a grant-in-aid with Mrs. Fisher's organization, World Education, Inc. These negotiations should be completed within the next few weeks.

Mrs. Fisher's organization has done some excellent work in India. One of the most significant aspects of this work, the plan to develop a School of Writing for New Literates, will receive assistance under the Public Law 480 grant. This school will train writers to produce materials for newly literate people who so frequently slip back into illiteracy if they are not provided with suitable reading materials. Mrs. Fisher is very enthusiastic about this project and, during her most recent visit to the Department, indicated that she was very pleased that the Department had found it possible to provide some financial support for it.

If I can be of any further assistance to you on this matter, do not hesitate to call on me.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

JULY 6, 1961.

Hon. KENNETH KEATING,
U.S. Senate, Washington, D.C.

DEAR SENATOR KEATING: Reference is made to your June 17 request for a report on an application to the Peace Corps for two volunteers for Literacy House in Lucknow.

Attached is a note on our India program which I hope will provide you with the information you desire. We will be pleased to elaborate if you wish more detail.

With kind regards,

Sincerely yours,

ROBERT SARGENT SHRIVER, Jr.,
Director.

PEACE CORPS PROGRAM IN INDIA—LITERACY HOUSE

The India Peace Corps program grows out of conversations held in New Delhi in May at the invitation of Prime Minister Nehru. At that time Mr. Shriver and the Prime Minister agreed that the initial pilot Peace Corps projects would concentrate in the field of agriculture in the Punjab. Since that time representatives of the Peace Corps have been negotiating with officials of the Punjab and central governments with a resulting formal request for a project on June 20.

A number of additional proposals have been advanced for projects in other parts of India. Among these is a request by Literacy House for two volunteers. When Mr. Shriver was in New Delhi this request was discussed briefly. Embassy officials spoke favorably of the project and it is among those which have been suggested to the Government of India for their consideration. However, the Government of India has not yet endorsed any proposal except the Punjab project.

The Peace Corps is asking its representative in New Delhi to continue to keep this request in mind in his conversations with Government of India officials regarding projects additional to the Punjab program.

We understand from the Department of State that a grant in aid for rupees valued at $151,000, under section 104(k) of Public Law 480 has been approved for Literacy House and is now subject to negotiation. Mrs. Fisher has been in personal contact with the Department in recent weeks.

LITERACY HOUSE,
Lucknow, U.P., May 23, 1961.

Hon. Senator KENNETH KEATING,
The Senate Building,
U.S. Government,
Washington, D.C.

DEAR SENATOR: I cannot tell you how happy I was when members of the American Embassy in New Delhi sent me the statement which you gave in the Senate about Literacy Village, and your request for the inclusion of Paul Grimes' New York article in the CONGRESSIONAL RECORD.

We are making a dent on illiteracy, I do believe, and are making the necessary aids that are required to buttress the early steps of literacy. We are becoming specialists in puppetry, flannel-graphs, and in writing simple constructive readers and books on all subjects that will awaken minds that have been walled in so long.

These audiovisual aids are as necessary to the literacy road as medicine and surgery are to health.

Literacy Village has reached some milestones. The U.S. Education Foundation is sending us a Fulbright lecturer in journalism who will work in our School of Writing for New Literates. At my request she has studied Hindi this past year and can already read and write it very well. She arrives in August and is going to help us enormously.

Since the need for literacy is so great and our plans are expanding so rapidly, I have requested two Peace Corps men or women and hope for the best.

Last July, 1960, I wrote a proposal to the U.S. Government as president of World Education, Inc., for Public Law 480 funds. I presented it to Mr. Henry J. Smith of the State Department who later sent it on to the American Embassy in India. Ambassador Bunker and his staff examined the proposal thoroughly and said to me "I think it will go through."

Mr. Tyler Wood of the ICA told me he felt confident that the proposal would be accepted. Since many of the requests came naturally under USIS, Dr. Kenneth Bunce came to Lucknow and spent a day there examining our center and sent the proposal through his agency to Washington. I do not know the present status of the proposal but do know that we are in desperate need of the money even though we receive only half of it at a time. I do hope to hear some good news.

I feel needed in India and prefer to stay here, but must return to United States to raise funds.

I do appreciate, my dear Senator, your deep interest and your conviction of the need of literacy.

With high regards,

Very sincerely yours,

WELTHY HONSINGER FISHER.

DISAGREEMENT BY SENATOR GOLDWATER TO VIEWS OF SENATOR FULBRIGHT CONCERNING FOREIGN POLICY

Mr. GOLDWATER. Mr. President, I should like to direct my remarks today to an address delivered June 29 by my esteemed colleague from Arkansas, Senator J. WILLIAM FULBRIGHT, entitled "Some Reflections Upon Recent Events and Continuing Problems." Since this presentation was described by the press as a major foreign policy speech and because the Senator from Arkansas is chairman of the Committee on Foreign Relations, I presume that it reflects, in large part at least, the views of the Democratic administration. For this reason, I feel that we who disagree strongly with the Government's policy, or lack thereof, in the area of international relations cannot allow certain assertions made by the Senator from Arkansas to go unchallenged.

Mr. President, as I study the address delivered by the distinguished chairman of the Committee on Foreign Relations, I find myself becoming first surprised, then amazed, and finally, alarmed. In essence, it strikes me as an argument for continued drifting in the wrong direction; for inaction on all major cold war fronts; for further costly implementation of an outmoded weak-kneed foreign policy which accomplishes nothing but more and greater losses of freedom's territory to the forces of international communism. It is a plea for more useless expenditures in the name of more hopeless objectives. It is part and parcel with the prevalent belief in administration circles that all we have to do is increase the foreign aid budget and Khrushchev will back off, Castro will be rendered ineffective and a tremendous host of nations will quickly effect social and economic reforms and clasp the United States to their bosom as the savior of underdeveloped areas.

If our largesse is increased, we are led to believe, neutrality among the uncommitted nations of the world will be merely a disguise for free world partisanship, and countries struggling with centuries-old social and economic institutions and habits will suddenly develop a form of dynamic anti-Communist progress similar to that which has taken place in Western Europe.

Mr. President, I say also that the reflections of the chairman of the Foreign Relations Committee would seem to rest our entire case against the powerful Soviet-Sino axis on economic, social, and political arguments to the exclusion of military considerations. For example, the Senator from Arkansas seems to view with alarm the voices, as he puts it, that "are saying the United States is the strongest country in the world, and should not hesitate to commit its strength to the active defense of its policies anywhere outside the Communist empire."

In this connection, I agree wholeheartedly with the chairman of the Committee on Foreign Relations that an increasing number of voices are saying exactly what he claims. They are American voices; they are the voices of our

citizens who are suddenly and finally aware of what threatens us and what is not being done to meet that threat. They are the voices of nationwide concern to which the policymakers of this administration would do well to listen, rather than dismiss them as noises made by people who do not understand the benefits which can flow from American-financed social and economic reform.

It might be well for the administration to give more consideration to why the American people are skeptical. Some day, Mr. President—and the way things are going, I am beginning to wonder whether it will ever come—those in official capacity in this country will have to stand up and tell the American people why it is that this approach to the realities of the cold war has cost us billions and billions of dollars while communism continues to gain, both in prestige and territory. The plain fact is that this is not a way to meet effectively the challenge of the cold war. It is the way to weaken freedom by draining our strength and undermining our economy.

But let us consider how such administration partisans as the Chairman of the Committee on Foreign Relations regard the growing demand for action from the American people. He calls it a dangerous doctrine and says nothing would please the Communists more than to draw the United States into costly commitments of its resources to peripheral struggles in which the principal Communist powers are not themselves directly involved.

Mr. President, I suggest that a far more dangerous doctrine is the one advanced by the Senator from Arkansas—one that would make the principle of "nonintervention" under any circumstances a national policy. All we have to do, as a Nation, is to assure the forces of international communism that we will never take unilateral action anywhere unless Russia and China are officially committed, and that the world—all of it—is theirs merely for the taking. This is the truly dangerous doctrine; and every time it gets new currency from those who are trying to tell us that the removal of poverty will destroy communism, the United States of America loses more respect throughout the globe.

And the threat to our survival and freedom's cause deepens.

Also, I believe there is something that would please the Communists more than the costly commitments of military strength, and that is the action we are taking right now. I assure you, Mr. President, that a show of American strength, even in peripheral areas, would not please the Communists. What pleases them is our present policy of making costly commitments throughout the world, commitments which carry with them no elements of real strength, but which rest on theoretical dreaming that the way to fight Communist bullets is with relief packages, Communist tanks with plows, Communist bombs with elaborate charts for monetary reform.

I disagree also with the inference of the Senator from Arkansas that peripheral areas are negligible in a military sense. The areas he talks about are the periphery of freedom—a periphery, I might add, that is growing steadily smaller in direct ratio to our failure to act from strength. I cannot say I find any concern for this development in the scholarly words of the chairman of the Committee on Foreign Relations. This is particularly true when he speaks about the closest point of freedom's encirclement—Cuba—which the Senator concedes has been transformed into "a Communist-oriented totalitarian state," but which he does not want us to regard as a threat requiring action. Let me quote his exact words:

> It is idle to expect the present Cuban regime to reform, to collapse, or to be overthrown by its exiles. And I submit that to overthrow it by American force, or by some combination including American force, would be self-defeating and would create more problems than would be solved.

But that is not all. I continue to quote:

> We often hear that the existence of a Communist regime in Cuba is intolerable to the United States. But is that really the case? I know it is embarrassing and annoying and potentially dangerous, but is it really intolerable?

Here is more, and I believe this is one of the most amazing statements ever made by an American official concerning the Cuban situation. I continue to quote:

> The possibility of Soviet missile bases and jet aircraft bases in Cuba is frequently noted. I suppose we would all be less comfortable if the Soviets did install missile bases in Cuba, but I am not sure that our national existence would be in substantially greater danger than is the case today. Nor do I think that such bases would substantially alter the balance of power in the world.
>
> What would substantially alter the balance of power in the world would be precipitated action by the United States resulting in the alienation of most of Latin America, Asia, and Africa.
>
> I believe that if we intervene unilaterally in Cuba, we prejudice our cause in the hemisphere.

Mr. President, let me take up these statements in the order of their assertion. What the chairman of the Committee on Foreign Relations tells us is that there is a Communist state 90 miles off our southern border, a state which will not reform, collapse, or be overthrown from within. Then he says that American force, used either unilaterally or in combination, would be self-defeating. I simply cannot understand this reasoning. He establishes a threat, says nothing will be done to erase or lessen it without outside action, and then forecloses the wisdom of meeting the threat either through American action or through American action in concert with other nations. This, it seems to me, would deny even the remote possibility of joint action by the Organization of American States.

Moving on to the Senator's next statement, or rather his question: Is the establishment of a Communist bastion dedicated to the destruction of everything the United States stands for off our Florida coast really intolerable? I should say, Mr. President, that the American people are answering that question every day. These are the voices the Senator from Arkansas referred to—the voices of America—that have been telling every one of us who would listen that Castroism on our doorstep and in this hemisphere is very definitely intolerable.

Not only that, Mr. President, but the New Frontier itself certainly felt at one point that communism in Cuba was intolerable. If it had not believed this, why would the President have sanctioned an American-organized and directed invasion attempt? I say actions speak louder than words, and I am very much afraid that one experience of unrealistic action directed at Cuba has made the Government gunshy. But this certainly is no reason for poohpoohing the entire Castro menace—even to the point of saying that the establishment of missile bases 90 miles from Florida would only make us less comfortable. I submit, Mr. President, that the establishment of Communist missile bases in Cuba is a very immediate and dangerous possibility. And I doubt whether 100 speeches by the chairman of the Senate Foreign Relations Committee would convince either the American people or our military leaders that such establishment would not increase the danger to our national existence. This possibility is real, and is not subject to erasure or reduction through the medium of diplomatic rhetoric.

Now, Mr. President, I come to the Senator's fear that by taking action in Cuba, the United States would alienate most of Latin America, Asia, and Africa. This is patently ridiculous. It is another instance of this Government's preoccupation with an ephemeral something called world opinion. This is an area of official concern which has no reason for existing. If this so-called world opinion were worth courting, it certainly would not countenance international communism with its history of violence, slavery, and oppression. But world opinion does countenance communism. In fact, the forces of slavery seem to hold more prestige and respect throughout the world than does the United States.

No, Mr. President, that argument will not hold water. In fact, the thing that is really alienating most of Latin America, Asia, and Africa right now is our weakness, our timidity, our failure to act in our own best interests. This refusal of a world power to function and act like a world power is what is pushing people away. They think we are afraid of communism; and this is the kind of thinking that breeds lack of enthusiasm—even contempt—for the cause of freedom.

Mr. President, as I read the Senator's remarks, he believes that our course in Cuba is to convince the Latin American countries that the big threat of Castroism is a threat to them, not to the United States. Presumably, he would encourage these countries to do something about the threat while the United States remains neutral. I suggest that it is

going to be very difficult—in fact, impossible—for us to convince the Latin American countries that we are so little concerned that we cannot take part. They are not likely to forget that the United States has already demonstrated its concern through its ineffective, but nonetheless real, participation in the abortive April invasion attempt.

And, if the Foreign Relations Committee chairman is now afraid of what "precipitate action"—as he terms it—by the United States would do to alienate world opinion, why was there no emphasis on this possibility before the New Frontier sanctioned the invasion attempt? That was precipitate action in the most dramatic sense. And if it did not alienate all of Latin America, Asia, and Africa, why are we asked to believe that new action—successful action—by the United States would hurt us now?

As I said earlier, Mr. President, the remarks of my esteemed colleague from Arkansas on these important matters do not provide us with a new insight into how the Nation's foreign affairs should be conducted. At the most, they add up to an apologia for inaction, to an excuse for a continuation of stumbling and groping in the cold war.

Mr. President, I should like to see us get on the right track, once and for all, in our approach to foreign policy matters. And I believe the first step is for the President of the United States to declare officially that it is our purpose to win the cold war, not merely wage it in the hope of attaining a standoff. Further, I would like to see the chairman of the Senate Foreign Relations Committee urge this action on the President, and back him to the hilt if he agrees.

Mr. President, it is really astounding that our Government has never stated its purpose to be that of complete victory over the tyrannical forces of international communism. I am sure that the American people cannot understand why we spend billions upon billions of dollars to engage in a struggle of worldwide proportions unless we have a clearly defined purpose to achieve victory. Anything less than victory, over the long run, can only be defeat, degradation, and slavery. Are these stakes not high enough for us? Is not this reason enough for us to fight to win?

I suggest that our failure to declare total victory as our fundamental purpose is a measure of an official timidity that refuses to recognize the all-embracing determination of communism to capture the world and destroy the United States. This timidity has sold us short, time and time again. It denied us victory in the Korean war, when victory was there for the taking. It refused General MacArthur the right to prosecute a war for the purpose of winning, and caused him to utter these prophetic words:

> The best that might be said for the policymakers responsible for these monumental blunders is that they did not comprehend the truism, as old as history itself, that a great nation which voluntarily enters upon war and does not fight it through to victory must ultimately accept all of the consequences of defeat—that in war, there is no substitute for victory.

Mr. President, we would do well to heed those words of General MacArthur, and apply them to the present—apply them to our position in the cold war, for if we engage in this cold war, and do not fight it through to victory, we must be prepared to accept the consequences of defeat. And, the consequences of such a defeat, I can assure you, Mr. President, will be slavery for all the peoples of the world.

In addition to an overall objective of victory, we need a careful appraisal of what such an effort will cost, and a priority list of essentials to measure against the willy-nilly demands for spending on all sectors. This is a clarification which the American people are demanding. In this respect, I refer to the findings of Mr. Samuel Lubell, a public opinion expert who recently took samplings in 19 States. He reached these conclusions:

> If President Kennedy is to gain public support for a more intensive cold war effort, two basic reforms seem needed:
>
> 1. Existing programs must yield better results.
>
> 2. All of the Government spending effort, domestic and foreign, must be unified into a thought through, first-things-first system of priorities.

Mr. President, I am not one who ordinarily takes the findings of public-opinion pollsters as the last word in popular sentiment; but I must say that the findings of Mr. Lubell are in keeping with everything which my office mail, as well as conversations I have had with people across the face of this country, have been telling me. There is a great restiveness among our people, because they have the feeling that the administration's programs have been thrown together without sufficient regard for an overall objective or for final costs. They are disturbed at reports that the State Department is toying with a so-called two-China policy; at indications that we may negotiate with Khrushchev on Berlin instead of standing firm; at the possibility that a flimsy, "phony" pretext will be found for diplomatic recognition of Communist Outer Mongolia.

To date, Mr. President, the American people have nothing to which they can point as a positive indication that the New Frontier means to stand up to the forces of international communism, after the fashion of a great world power. They have waited patiently—and in vain—for this Government to resume nuclear testing, against growing evidence that the Soviet Union is already secretly engaged in this vital activity. Let me say that I believe right here is where the New Frontier could act to show us that it does not intend to be hoodwinked forever by Soviet negotiators. I do not think there is any longer a reason for even fixing a deadline for the resumption of these tests. I believe the United States should just pull its representatives back from the test meetings, and begin work—work that has been delayed too long, in the face of new and greater Communist threats around the world.

These are the things, I believe, that our Nation needs right now, instead of more excuses for inaction and more justifications for an expanding foreign-aid program, which needs drastic alterations before it can yield results. We need a declaration that our intention is victory. We need a careful cost-accounting of what will be required to meet this objective within the framework of our economic ability. And we need an official act, such as the resumption of nuclear testing, to show our own people and the other freedom-loving peoples of the world that we mean business.

These are minimum requirements, Mr. President, in the nature of first steps. But they are essential if we are to chart a positive course aimed at total victory in a struggle for the future of freedom.

PROHIBITION OF SERVICE OR CONSUMPTION OF HARD LIQUOR ON COMMERCIAL AIRCRAFT

Mr. MILLER. Mr. President, on February 9, Senate bill 887 was introduced by the distinguished Senator from South Carolina [Mr. THURMOND], the distinguished Senator from Minnesota [Mr. HUMPHREY], the distinguished Senator from Kansas [Mr. CARLSON], and me. This bill would prohibit the service or consumption of hard liquor on board any commercial aircraft while in flight between two points in the United States, and also the admission or transportation of intoxicated persons aboard such aircraft. I am informed that to date no action has been taken on this proposed legislation.

Such legislation is needed as a means of insuring maximum safety on our commercial aircraft. The Airline Pilots Association has approved it. This association, along with its sister association of pilots and hostesses, has kept records of drinking incidents on board commercial aircraft. I ask unanimous consent to have printed in the RECORD a reprint of an article, by Capt. Dave Kuhn, published in Flying magazine, which appeared in the July 10 issue of the Christian Science Monitor. The article discusses the problems of airborne alcoholism.

Also, Mr. President, in the July 10 issue of the Des Moines Register appeared a news story with a Los Angeles dateline, about an incident on United Air Lines flight 853, from Chicago to Los Angeles, carrying 118 passengers. Although no one was injured, one of the passengers had a whisky bottle taken away from him by a stewardess; whereupon he became enraged and brandished a pocketknife. I ask unanimous consent that the Register article be printed in the RECORD.

Mr. President, a great many people use the airlines or have relatives and friends who do, and they would like to see this proposed legislation acted upon. It cannot possibly do any harm and it might well result in saving some lives.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, July 10, 1961]

PROBLEMS OF AIRBORNE ALCOHOLISM

(By Capt. Dave Kuhn)

There are many problems connected with operating a safe airline. Some of them are

self-induced. Most carriers insist on serving alcohol to the customers despite the serious threat to safety drunks aloft pose.

The captain in command is charged under the law not to carry persons under the influence of drugs, liquor or narcotics. Yet, there is not a plush flight flown by the large U.S. carriers today, but that some of the passengers get "boiled" by the time they reach destination. Why this treatment is necessary has never been explained.

Now, pilots have been known to gaze at the grape on occasions. However, they have long protested the added chore of wet-nursing inebriated passengers. It is a nuisance at best. It takes only one drunk on a flight to create enough havoc to jeopardize safety. Aside from the social aspects, such as cursing, vomiting or responding to Cupid, a drunken crazed inebriate can wreck a plane.

Then, of course, there is no way to determine which passenger will get out of hand after imbibing. On one occasion, a movie mogul was caught trying to bash a window out with his shoe. He was too warm and couldn't raise the sash. Had he been successful he would have left like a shot from an air gun. There also would have been more serious problems, such as getting down to a breathing altitude in time to save the flight.

One wild-eyed passenger broke into the cockpit and started pummeling the captain on the head. The flight was a bit late and the drunk was urging more speed. He was tied up, with a ditching rope, for the remainder of the flight.

Drinkers are careless with cigarettes and matches. There are not many situations more dreaded than fire aloft. This writer had one such incident caused by careless drinkers. The hostess came up front in tears. A group of six men returning from a sales convention were in the lounge section insisting on being bartenders. The hostesses, being outnumbered, had lost a battle. A first look revealed a group of salesmen in a singing, drinking, storytelling mood. A second look revealed smoke pouring from under a seat. A live cigarette had been dropped between the rugs. Rugs on airplanes are fire resistant to some extent. However, grease from the ramp, hydraulic oil, and whisky can make a start on a good fire, especially when a live cigarette is used as an igniter.

The ALPA and their sister union, ALSSA (pilots and hostesses), have kept records of drinking incidents. They are rather impressive to those taking the time to read them. The worst cases develop from individuals who have had a few belts prior to boarding. Altitude gives an added lift from the booze already consumed.

Being irresistible (he thinks), he gets miffed when he is requested to sit so that others might be served. If he does not get all the drinks he thinks he needs, everyone in the plane is informed that the president of the airline will hear of this outrage. He advises that he is "gonna get someone's job." (It is doubtful if he would like the pay of a hostess.)

On rare occasions, the passenger agent will request that you take a look at a suspected inebriate prior to boarding. Without looking you know from past experience that the suspect is either stumbling, incoherent, or abusive. You take a look anyway. It is impossible to inspect 120 people for sobriety before departure. Besides, some folks look drunk in their natural state. Many flights have been forced to land and deplane drunks. Lawsuits result. The companies have trapped themselves. It costs millions each year to give free liquor to customers that may destroy a flight or cause additional expense. Unscheduled landings mean late arrivals which mean late originations or cancellations. The Canadian airlines carry passengers and do not feel obligated to pour free drinks. It seems that a fast, smooth, safe trip would suffice. Bars are not competing with airplanes.

Despite several pages in the company manuals on how to cope with drunk passengers, the instructions never seem to fit the conditions. Bars have husky bouncers. On an airplane, a 110-pound hostess has no place to bounce a 210-pound Casanova. The final word is to advise the captain.

In 1954 the Airline Pilots Association adopted a policy prohibiting drinking aloft. Unfortunately, they have been less successful implementing this policy than the "fail safe concept." Congress has before it two bills outlawing drinking aloft. ALPA was instrumental in getting these bills on the agenda. It is hoped Congress will act.

[From the Des Moines (Iowa) Register, July 10, 1961]

LEGAL SNARL IN JET KNIFE EPISODE

LOS ANGELES, CALIF.—A vacationing Illinois janitor, who caused a ruckus with a pocketknife aboard a crowded jetliner, is causing a headache for authorities because of a legal no man's land.

And it appears that the headache may require legislative relief from Congress.

Joseph Newkirk, 60, of Argo, Ill., was arrested Saturday after threatening two persons aboard United Air Lines flight 853, carrying 118 passengers from Chicago to Los Angeles.

DISARMED

No one was injured. Newkirk, who at first told police he was a salesman, was booked on suspicion of assault with a deadly weapon. Investigators told this story:

Shortly after takeoff from Chicago's O'Hare Field, Newkirk became enraged because a stewardess took away his whisky bottle. Later, as the plane whisked over Nevada at about 32,000 feet, he became belligerent, pushed a stewardess and brandished his knife when a young marine intercepted.

The marine, Pvt. Donald James Schwalbach, of Highland Park, Ill., slugged and disarmed Newkirk. The janitor was bound by the crew and held captive in the lounge until Los Angeles police boarded the plane here.

After booking Newkirk, police discovered they had no jurisdiction over a crime allegedly committed over Nevada. They called the FBI and the Federal Aviation Agency (FAA).

The FBI said it would have to discuss the situation with headquarters in Washington, D.C.

The FAA said it could not prosecute Newkirk on a criminal charge, but could charge him in a civil action with violating FAA drinking regulations aboard an airliner.

LOOPHOLE

Then someone discovered a massive loophole in the law.

Assistant U.S. Attorney Tom Sheridan said he knows of no Federal statute covering passengers aboard a plane in interstate flight.

"We have all sorts of laws for trains and several new ones for planes," he added, "but I don't know of any for something like this."

An FAA spokesman here said the Agency will seek immediate action by Congress for emergency legislation to cover such episodes.

Meanwhile Newkirk, who was en route to Hawaii, was in jail.

He told police: "All I remember is being drunk when I got on the plane."

Newkirk said he was going to Hawaii because "I was tired of cooking for myself. I was going over there to look for a rich widow."

PROPOSED LEGISLATION RELATING TO AMENDMENT OF THE ANTITRUST LAWS

Mr. KEFAUVER. Mr. President, I introduce four bills to amend the antitrust laws, and ask that they be appropriately referred.

Companion bills are today being introduced in the House of Representatives by Representative EMANUEL CELLER, chairman of the Committee on the Judiciary of the House of Representatives. Representative CELLER, chairman of the Subcommittee on Antitrust and Monopoly of the Judiciary of the House of Representatives has also held hearings along the lines covered in these bills, and he has been very interested in the problem.

Also, the distinguished Senator from Colorado [Mr. CARROLL], a member of the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judiciary, is a cosponsor of three of these bill. The Senator from Colorado has given the problems they are designed to meet much penetrating and enlightened study, and his cosponsorship is greatly appreciated. The able Senator from Michigan [Mr. HART], a member of the subcommittee is the cosponsor of two of the bills. His intelligent interest in this subject adds much to a fuller understanding of the problems involved.

These bills result from continuing investigations by the House Antitrust Subcommittee and Senate Subcommittee on Antitrust and Monopoly. They also result, in part, from the recent hearings on the price-fixing conspiracies in the electrical equipment industry as well as from other hearings. Taken together, they constitute, in our opinion, the most significant proposed antitrust legislation since section 7 of the Clayton Act was amended by passage of the Celler-Kefauver "Antimerger" Act, 11 years ago. Further, it is our view that, if these bills are enacted into law, they will substantially increase the effectiveness of antitrust enforcement and thereby increase competition in American industry to the decided advantage of the consuming public and the welfare of the Nation.

The long-standing conspiracies in the electric equipment industry, unearthed in the Philadelphia cases, and explored in detail in the recent hearings, are among the most flagrant violations of the Sherman Act in the history of antitrust. Something must be done to make certain that such violations of the antitrust laws never happen again. The electrical hearings as well as other hearings have clearly shown that compliance with the antitrust laws cannot be assured without, first, more stringent penalties for violations and, second, an increased obligation on the part of directors, officers, and other highly placed corporate executives to see to it that the antitrust laws are obeyed. The bills which we are introducing, today, do just that. Each of these bills remedies a particular weakness in our antitrust laws.

The first bill, cosponsored by the Senator from Colorado [Mr. CARROLL], increases the monetary penalty for violations of sections 1, 2, and 3 of the Sherman Act from $50,000 to $100,000.

Further, when a corporation violates one of these sections within 10 years of a previous conviction under the same section, the maximum penalty is extended to $500,000. And, if an individual is convicted of such a second violation, he will be both fined and sentenced to jail. This bill strikes directly at repeated violations such as have been the antitrust case history of certain large corporations. Moreover, it will deter corporations from treating fines for antitrust convictions as expenses which can be written off as a cost of doing business.

The second bill, cosponsored by Senators CARROLL and HART, amends section 1 by dealing specifically with price fixing and market allocation, the most common and the most flagrant anticompetitive practices covered by that section. Both of these restraints of trade have been held repeatedly by the Supreme Court to be per se illegal. Under this bill, a corporation convicted of fixing prices or allocating markets or customers can be fined up to $500,000. Individuals are subject to find up to $100,000 and a year or less in jail.

A very troublesome problem, from the point of view of enforcement, as highlighted by the electrical hearings, is the fact that many highly placed corporate executives can and do "wink" at violations of the law going on right under their noses, or make sure to carefully avoid having any direct knowledge of activities of their immediate subordinates which flagrantly violate the law. The third bill, cosponsored by Senator CARROLL, provides a long step toward preventing such calculated ignorance. It amends section 14 of the Clayton Act to require that a corporate director, officer, or agent, who knows or has reason to believe that any of the penal provisions of the antitrust laws are being violated, or are about to be violated, stop or prevent such violation. If he does not have authority to stop or prevent an antitrust violation, he is obliged to report it to a corporate official who has such authority. Failure to take such steps is deemed by the bill to be ratification of the violation, and is punishable in the same way as if the director, officer, or agent had authorized, ordered, or done the violation in question.

Moreover, this bill brings the penalties under section 14 in line with those of sections 1, 2, and 3 of the Sherman Act. In 1955, the penalities under sections 1, 2, and 3 of the Sherman Act were increased to $50,000, but the penalty under section 14 of the Clayton Act remained at $5,000. This has recently been the subject of vexing and unnecessary litigation. In fact, a district judge very recently appears to have erroneously assumed, from the fact that Congress did not increase the section 14 penalty in 1955 as we increased the penalties for violating sections 1 and 2 of the Sherman Act, that we meant section 14 to be the exclusive means of imposing criminal punishment of officials of corporations which violate sections 1 and 2. It is not our intention in this bill to make section 14 the exclusive means of imposing criminal punishment on corporation officials, nor was it, in our opinion, the intent of Congress in the 1955 amendment.

The final bill, cosponsored by Senator HART, deals with the problem of identical sealed bids on Government contracts. To enable the Government to better protect itself against collusive, anticompetitive bidding, this bill requires Federal procurement officers to obtain certificates of noncollusion from bidders who, during the preceding 2 years, have quoted prices identical to those of their competitors. If identical prices are the result of bona fide competition, such a certificate will be no more onerous than the declaration of correctness and truth which every taxpayer must sign in preparing his Federal income tax return. If, however, identical prices are the result of agreement by competitors in violation of the antitrust laws, these certificates will permit the Government to prosecute not only under the Sherman Act, but under the false statement provision of title 18 as well.

We strenuously urge the prompt adoption of these bills. Together, they constitute a far more effective weapon for enforcement of the antitrust laws and of preservation of our competitive, free enterprise economy.

Mr. President, I ask unanimous consent that the bills lie on the desk for 5 legislative days, until July 21, 1961, in order that any Senator who may wish to associate himself with the bills as a cosponsor may have the opportunity to do so.

The PRESIDING OFFICER. The bills will be received and appropriately referred and, without objection, will lie on the desk as requested.

The bills, introduced by Mr. KEFAUVER, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

By Mr. KEFAUVER (for himself and Mr. CARROLL):

S. 2252. A bill to amend the Sherman Act by increasing the penalties for the violation thereof.

By Mr. KEFAUVER (for himself, Mr. CARROLL, and Mr. HART):

S. 2253. A bill to provide penalties for certain violations of section 1 of the Sherman Act, and for other purposes.

By Mr. KEFAUVER (for himself and Mr. CARROLL):

S. 2254. A bill to amend the Clayton Act, as amended, to supplement the antitrust laws with respect to the liability of the directors, officers, and agents of a corporation, to increase the penalties for violations of the antitrust laws, and for other purposes.

By Mr. KEFAUVER (for himself and Mr. HART):

S. 2255. A bill to supplement the antitrust laws with respect to procurement by Government agencies on sealed bids, and for other purposes.

PRICES OF DRUGS

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article from the May 1961 issue of Consumer Reports, entitled "Rx Drugs: A Strong Wind of Discontent Is Blowing Across the Country." I believe this article will be of interest to my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RX DRUGS: "A STRONG WIND OF DISCONTENT IS BLOWING ACROSS THE COUNTRY"

For the past 2 years, the price of drugs, particularly "ethical" or prescription drugs, and the advertising practices of ethical drug companies have been very much in the news. There have been many articles and comments on the findings of Senator ESTES KEFAUVER and his Subcommittee on Antitrust and Monopoly regarding administered drug prices and drug promotion. Consumer's Union has learned from sources in Washington that Senator KEFAUVER has readied new legislation to remedy some of the evils uncovered in the hearings—a "Drug Industry Antitrust Act" amending the Sherman (antimonopoly) law, and amendments to the Food, Drug, and Cosmetic Act. When hearings are held on these or other bills which are sure to be introduced, Consumer's Union will report on the specific proposals. Meanwhile, here is a review of the main issues involved.

That legislation would come has long been obvious; a strong wind of discontent has been blowing across the country. A few consumer groups have sought to solve the problem of high drug prices by forming cooperatives for the purchase of prescription drugs and sundry drug items. Mail-order prescription services have sprung up with promises of 25-percent reductions. Prepaid insurance plans to cover the cost of major prescription drugs have been started in Atwater, Calif., and Windsor, Ontario, and additional prepaid drug plans are under consideration in a few other cities. Some major-medical insurance policies include payments for drug and sickroom supplies. Labor-management medical centers in New York and other cities have set up pharmacies on their premises, where medications are dispensed at reduced prices. A large group of unions in New York City plans a citywide chain of stores to take advantage of the price savings possible with volume purchasing, more selective stocking of drugs, and prescription by generic rather than brand name, since many drugs are less expensive when prescribed that way. The New York County Medical Society has urged its members to prescribe drugs by generic rather than brand name. Many State welfare agencies have sought to control the prescribing of costly drugs for welfare patients by requiring generic prescribing, and by other restrictions on the use of expensive new drugs which do not have proven advantages over older, less expensive standard drugs.

Expenditures for prescription and over-the-counter drugs increased from $300 million in 1929 to more than $3,500 million in 1960, of which at least 75 percent goes for prescriptions. Between 1929 and 1960, the average price per prescription increased from 85 cents to more than $3. This increase is not accounted for by increases in the prices of standard pharmaceuticals, such as morphine, codeine, atrophine, the barbiturates, digitalis, and aspirin, but reflects a switch of doctors' prescriptions to the new and invariably more expensive drugs. The greater part of prescription expenditures are for the so-called wonder drugs—antibiotics, tranquilizers, metabolic regulators, and hormones. Besides the increase in price per prescription, the number of prescriptions sold per family per year has risen, from 7.6 in 1950 to about 12 in 1960.

The increasing costs, and especially the burden they impose on the chronically ill, the aged, and the lower-income families, have focused attention on the drug industry, its competitive practices, its pricing methods, its profits, its research and promotion activities.

The Kefauver hearings have been the main agency for disclosure of important facts about administered rather than competitive

prices for drugs, about the high profits, about the exaggerated role the cost of research plays in raising drug prices, about the extravagances and abuses of selling practices. Although the hearings are not concluded, they already have exerted considerable influence. Consumers and some doctors have begun to show a skepticism about the public service facade of the drug industry. More important, as a consequence of the hearings, the prices of broad-spectrum antibiotics, for example, were cut by about 15 percent after having remained unchanged for some 10 years. Senator KEFAUVER has estimated that such reductions already have saved consumers $55 million.

Also stemming from the hearings have been grand jury investigations and antitrust actions against certain producers of antibiotics and tranquilizer drugs. In February, the Federal Trade Commission indicated intentions to introduce legislation requiring inclusion of full disclosure of possible side effects in all prescription-drug advertisements. And the Food and Drug Administration has introduced new regulations requiring fuller disclosure of possible undesirable side effects on labels of prescription drugs.

GENERIC NAMES VERSUS BRAND NAMES

Before much headway can be made in generic-name prescribing, two conditions have to be met. First, it is important to make the generic names as easy to remember as trade names. At present, generic names, usually impossible tongue-twisters, are chosen in the main by the drug companies which develop them; it would seem desirable to place this responsibility in the hands of an independent authority, such as the World Health Organization, the FDA, or a professional organization.

Second, physicians must have assurance that every drug put up for sale meets adequate standards of purity and potency. At the present time, the FDA has resources enough to test the quality of only a small fraction of the drugs sold in interstate commerce. Adequate funds and staff must be provided for a more comprehensive job of testing drugs and supervising manufacturing methods.

It should be known, however, that not all drugs are less expensive under their generic names. When a company develops a new drug, a patent is issued on it. Then, if the company licenses one or more other companies to sell the drug under other brand names, the price structure established usually allows for no competition. In such circumstances, it makes little or no difference to the patient's pocketbook whether the doctor uses the generic name or the trade name. The degree to which large brand-name pharmaceutical companies have used patent laws to preserve their privileged position in the marketplace was revealed in much of the testimony before the Kefauver committee.

This is not to say that the drug industry is not highly competitive. But its competitive efforts are expended less in achieving price reductions than in capturing the prescription pads of the busy doctors who, in most instances, cannot remember the generic names or, for that matter, cannot judiciously weigh the real properties of drugs against the promotional claims. The doctors' problem in this respect is heightened by a major loophole in present laws regulating new drugs. A drug company need not provide adequate proof of efficacy of a prescription drug. A new-drug application is granted to the manufacturer if there is plausible evidence of its safety in the dosage recommended on the label. It would seem self-evident that proof of efficacy as well as safety needs to be required.

"RESEARCH" AND "EDUCATION"

Research expenditures have been cited by the manufacturers as a major factor contributing to current high drug prices. The argument usually runs that the drug industry is engaged in a feverish research program designed to save life and health. It is true that some drugs developed by pharmaceutical-company chemists are valuable contributions to medical practice. However, expenditures for "research," even with the most favorable definition of this term, by the 20 largest drug companies have been only about 6½ percent of sales. Selling expenditures account for about 25 percent of sales: about 4 times the amount spent on research. The great amounts spent on promotion are defended as postgraduate "education" for physicians.

Dr. Austin Smith, formerly editor of the Journal of the American Medical Association and now president of the Pharmaceutical Manufacturers Association, claimed in a statement to the AMA Journal that "Detail men form an indispensable link between the doctor and new knowledge that can help or save a patient. * * * In a few minutes the detail men can acquaint the doctor with the capacities and the limitations of a new drug."

But Dr. George E. Moore, director of the Roswell Park Memorial Institute in Buffalo, a leading surgeon, teacher, and investigator, in a letter to the AMA Journal, stated:

"This just is not possible. Most detail men do not have an adequate background for evaluating therapeutic agents. What is the source of their information? Are they capable of sorting out the pertinent and statistically meaningful results of animal studies and preliminary human trials of a new drug? How can they know enough about the subtle differences in the structure of similar compounds that are being sold by rival companies? The busy practitioner grasps this weak crutch because of the difficulty of finding and evaluating medical reports scattered through a dozen journals."

Many leaders in the fields of medical research and teaching—Drs. Maxwell Finland, Walter Modell, Louis Lasagna, Harry S. Dowling, Frank L. Meleney, and others—criticized the promotion and "research" activities of the pharmaceutical industries in testimony before the Kefauver committee. In addition, many lay publications (including Saturday Review, Life, and of course, Consumer Reports), a few physicians, and rare medical journals (the New England Journal of Medicine, for one) have spoken up, deploring the kind of "education" provided by ethical-drug promotion.

One of the most important of these statements appeared in an article by Dr. Charles D. May, "Selling Drugs by Educating Physicians," in the Journal of Medical Education for January 1961. Dr. May is an eminent pediatrician, editor of Pediatrics, the official journal of the American Academy of Pediatrics, and a professor of pediatrics at New York University Medical School. He writes:

"For the past 3 years major pharmaceutical companies have been engaged in a competitive struggle to increase the sales of their particular brands of antibiotics by a confused and misleading barrage of promotion. * * * The educational effect on doctors was to confuse them and lead them to believe wonderful new [antibiotic] drugs were available and that minor differences in blood level and the rate of absorption [of these antibiotics] are significant therapeutic advantages. The untrustworthiness of educational material employed to promote basic [drug] products is not peculiar to antibiotics. Similar disregard for the available evidence and for authoritative opinion can be seen frequently.

"Reference is often made to unpublished data from 'personal communications,' 'case reports in the company's files' which are collected at random, and even individual testimonials. None of these can be readily evaluated in an acceptable fashion.

"Quotations lifted out of context are a favorite means of misusing sound sources, and inferior articles in the medical literature may be selected to support the claims even when superior work is available to refute them. Only one or two of an impressive list of references may have any pertinence to the claims being propounded.

"Most lamentable is the lack of concern for the authenticity of material in the advertising pages in medical journals, which almost outweigh the editorial text in bulk and influence. Few journals show signs of a determined effort to reject misleading advertisements."

But, Dr. May notes, "A notable effort is being made to overcome the inadequacies of education of physicians by an independent group of competent physicians who are publishing The Medical Letter." This biweekly, four-page newsletter accepts no advertising. It is edited by and has among its consultants distinguished pharmacologists and physicians in leading medical schools. The Medical Letter, published in New York City, has gained wide influence as an unbiased source of information for physicians and other health personnel on the therapeutic properties and side effects of current drugs.

JUST PLAIN TOO MANY DRUGS

One of the more thorough discussions of the trouble with ethical-drug research and promotion has been contributed by Dr. Walter Modell, a distinguished pharmacologist-physician, and director of clinical pharmacology at Cornell University Medical College. In an editorial in the January-February 1961 issue of Clinical Pharmacology and Therapeutics, of which he is editor, Dr. Modell commented as follows:

"If the pharmaceutical chemists took the time to look back at the net result of their prolifigacy, would they be shocked to discover that the point of no return may have been passed? Do they suspect that now, instead of helping mankind with new drugs, they may be making matters worse?

"Untoward reactions to medication have * * * increased at a staggering rate. This comes about primarily because of lack of experience with many different and entirely new active drugs and because of inability to master the full implications of these agents as rapidly as they are marketed.

"If this was all a hazard inherent in medical progress * * * there would be some justification for it, but too often this is not the case. Too often new drugs are turned loose on the public to horn in on a market which has been created by someone else's discovery, to compete with drugs which have recently been established as good and useful. Too often they are hurried into use to get in on a market before it vanishes. I know of a pharmaceutical company in possession of a series of congeners which kept what it deemed to be the best * * * and licensed the inferior ones to other distributors.

"There is a manufacturer who sells one drug entity in this country and a congener in another country, making precisely the same claims in each case; namely, that each is the best for the same purpose. * * * Since more than one drug cannot be the best for the same indication, we simply don't have enough diseases to go around. At the moment the most helpful contribution is the new drug to counteract the untoward effects of other new drugs; we now have several of these.

"Are physicians characteristically irrational and irresponsible? No. But they may sometimes appear to be because of the sheer impossibility of dealing rationally and responsibly with so many new drugs, about which so little is known but for which extravagant claims are made and for the use of which pressure is exerted by the drug industry and by patients who have heard of new cures through newspapers, magazines, and other patients. Vigorous drug promotion even before the drugs are available helps build up pressure to use them.

"Excessive numbers of drugs are now being introduced, excessive in view of the working capacities of those competent to test their safety and utility in man, excessive in view of the subjects available for the testing of their effects, dangers and uses in man, and excessive in view of the ability of those who must assimilate the essential knowledge and learn how to prescribe them effectively and safely and rationally.

"It makes little difference if, under the impression that it is the best, a housewife buys the next best detergent. But you may not fool any of the people any of the time about drugs. * * * If, under the misapprehension that if it is the best, a doctor prescribes * * * less than the best, it may be the difference between life and death. Unlike the housewife and her detergent, it is clearly immoral if the physician is even slightly misled by claims made for the drugs he is importuned to use on the sick. * * * There is the very real ethical question of whether the pharmaceutical industry has the right to sell all the drugs it creates and whether it does not have the moral obligation to select only the elite of its creations.

"Industry should * * * terminate the current practice of the hurried introduction of new drugs * * * to establish a foothold on the market while leaving the real testing of drugs to practicing physicians, with patients as unwitting subjects."

CU'S CONCLUSION

It is obvious, in CU's view, that much is wrong with the pricing, promotion, and research activities of ethical-drug companies. The consumer, even more than the physician, has a life-conserving as well as financial stake in these problems. Voluntary action by the pharmaceutical industry can help to correct abuses. But today the fact is inescapable that Government action also is needed. The problems of the overproliferation of drugs, of their uncertain safety and effectiveness, are pressing; the need for establishing better standards for evaluating drug effects is urgent. CU believes that the only real solution is more direct Federal factory supervision and certification of drugs, and the organization of special facilities for the systematic and controlled trial of new drugs. Also required are more cooperation between the FDA and State agencies, and more vigorous action by the FTC in regulating ethical-drug promotion.

AMENDMENT OF THE SOIL BANK ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of the motion to reconsider S. 2197.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2197) to amend section 107(a)(3) of the Soil Bank Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

LET US BEGIN TO REFORM THE TAX SYSTEM

IMPROVED COLLECTION BY WITHHOLDING AT THE SOURCE TAXES OWED ON DIVIDENDS AND INTEREST

Mr. DOUGLAS. Mr. President, in my previous speech on tax reform, I stressed the way in which many business executives are evading taxes by making excessive and improper deductions for entertainment, travel, gifts, and so forth. The Government is losing many hundreds of millions of dollars each year from these practices. This evasion makes the burden upon other taxpayers much heavier than it otherwise would be, while it breeds extravagance and loose standards of behavior throughout the community.

Today I want to deal with another great abuse. This is the failure of a large segment of our population to report income which they have received and who consequently evade their just share of taxation.

The amount of personal income which is not reported and hence, upon which taxes are not paid, is, indeed, startling. Thus, Norman Ture, the former tax expert for the Joint Economic Committee, estimated that in 1959 the total personal income which was not reported on individual tax returns amounted to no less than $27.9 billion.[1] This was 8⅓ percent, or one-twelfth of the estimated total adjusted personal income in that year. This estimate by Mr. Ture has since been accepted by the Treasury, as shown by Secretary Dillon's testimony before a subcommittee of the Senate Appropriations Committee.[2]

Some of those who failed to report were, of course, those whose incomes were less than the total exemption provided under our income tax laws. The largest component of this group are the retired persons over the age of 65 who have a much greater exemption from taxation than is commonly believed.

The total amount of this exempted income has been set by the Treasury at $3.5 billion for 1959.[3] This left a residual of $24.4 billion of total income which should have been reported but which was not. The taxpayers, therefore, as a whole evaded from taxation approximately 7 percent of their adjusted personal income. The attendant loss of revenue for 1959 is estimated by the Treasury to have been $4 billion. I believe this is a most conservative estimate and that the total may be nearer $5 billion. Unless some effective measures are taken, this huge total is likely to increase in the future both because of the probable increase in national income and the progressive demoralization which continued flouting of the law inevitably creates.

The Secretary of the Treasury in his testimony before the Senate Appropriations Committee made some informed estimates on the amounts which were evaded by the various component groups.

Mr. President, I ask unanimous consent that a table from Secretary Dillon's testimony, giving the estimates of income received by certain groups of individuals but which did not appear on tax returns, be printed in the RECORD at this point in my remarks.

[1] "The Federal Revenue System" (printed for use of the Joint Economic Committee, 87th Cong., 1st sess., 1961, p. 11).

[2] Testimony of Secretary of the Treasury Dillon before subcommittee of Senate Appropriations Committee, 1961, p. 182.

[3] Testimony of Secretary Dillon, ibid., p. 182.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Income received by individuals during 1959 not accounted for on tax returns, by type[1]

	Billion dollars
Total income not reported on tax returns[2]	27.9
Less: Income received by individuals not required to file returns	3.5
Equals: Total reportable income not accounted for on tax returns	24.4
Dividends	.9
Interest	2.8
Annuities and pensions	.6
Business and farm profit	12.0
Wages and salaries	6.5
Other income[3]	1.6

[1] Estimates based on preliminary data.

[2] "The Federal Revenue System: Facts and Problems, 1961," p. 10 (publication of Joint Economic Committee).

[3] Unreported income from all other sources not specified such as rents, royalties, and capital gains.

Source: Research Division, Internal Revenue Service, May 4, 1961.

With respect to the revenue effects of this underreporting, we have made estimates for some of the categories but not for all. The failures to report dividend and interest incomes were estimated to have reduced revenues by $342 and $522 million, respectively, or a total of $864 million at the 1959 income levels. Our studies in the other areas have not progressed far enough to make comparable estimates. One problem is that while this income should have been reported under the tax-filing requirements, not all of the income would have been taxable even if reported. For example, some of the unreported income from businesses and farms would have been on returns which would not be taxable after allowances for deductions and exemptions. As a rough overall estimate, I would say that the total revenue loss from the failure to report the $24.4 billion was at least $4 billion.

Mr. DOUGLAS. Mr. President, the independent entrepreneurs, such as farmers, professional men and women, and independent businessmen, were estimated not to have declared about $12 billion of net income. This was about a quarter, or 25 percent, of the probable total of farm, business, and professional income for 1959.[1] It is indeed a somber thought that the percentage of evasion amongst this group should be so high. It makes understandable some of the difficulties in collecting income taxes in countries such as France, where business is still largely conducted on an individual basis.

While the total amount of wages and salaries which were not reported and which were estimated at $6.5 billion may seem large in absolute amounts, it should be noted that this was only 2½ percent of the total wage and salary payments in that year of $268 billion. On a relative basis, therefore, this was a 10 times better record than the 25- to

[1] See Economic Indicators, May 1961, p. 4. If we exclude the $3½ billion of imputed income of farmers in the form of the rental value of farm homes and food grown on the farm and consumed by farm families, and take only taxable cash income, this figure would be nearer 27 percent.

27-percent loss in unreported income from entrepreneurial income. This is not due in my judgment to any superior virtue on the part of wage earners and salaried folk, but simply to the fact that a withholding tax of 18 percent is imposed upon their incomes. This is deducted by their employers from their pay and forwarded to the Treasury.

DIVIDENDS AND INTEREST

The total unreported income was estimated by the Treasury as $940 million for dividends and $2.8 billion for interest. Mr. President, I ask unanimous consent that tables from Secretary Dillon's testimony before the House Ways and Means Committee showing the estimated dividend gap in the years 1955 through 1959 and the estimated interest gap in the years 1956 through 1959 be included in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Estimated dividend gap, 1955–59

[Dollar amounts in millions]

	1955	1956	1957	1958	1959
Dividends includible on individual tax returns	$9,433	$9,983	$10,283	$9,975	$10,654
Dividends reported on individual tax returns	8,100	8,892	9,432	9,058	9,714
Dividend reporting gap	1,333	1,091	851	917	940
Dividend reporting gap as a percentage of dividends includible on individual tax returns	14.1	10.9	8.3	9.2	8.8

Estimated interest gap, 1956–59

[Dollar amounts in millions]

	1956	1957	1958	1959
Interest includible on individual tax returns	$5,525	$6,524	$6,983	$8,194
Interest reported on individual tax returns	3,453	3,990	4,378	5,357
Interest reporting gap	2,072	2,534	2,605	2,837
Interest reporting gap as a percentage of interest includible on individual tax returns	37.5	38.8	37.3	34.6

Office of Tax Analysis, Office of the Secretary of the Treasury, May 3, 1961.

Mr. DOUGLAS. Mr. President, since the total dividend payments in 1959 which were includible on individual tax returns were $10.7 billion, this meant that about 8.8 percent of dividend payments includible on individual tax returns was not reported. In relative terms, this was nearly 3½ times as great as the estimated evasions in the case of wages and salaries.

Since the net interest payments in 1959 which were includible on individual tax returns were estimated at $8.2 billion, it would probably be safe to estimate the relative amount of evasion was at least 34.6 percent in the case of interest payments, or almost 14 times the relative loss in the case of wages and salaries.

Apparently this is an evasion of about one-third, so far as interest payments are concerned.

The Treasury estimates that the total amount of tax revenue lost because of evasion in reporting dividends and interest amounted to $342 and $522 million respectively, or a total of $864 million, on an annual basis.

Mr. President, I ask unanimous consent that a table from Secretary Dillon's testimony before the House Ways and Means Committee showing the revenue effect on witholding dividends and interest for the year 1959 be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Revenue effect of withholding on dividends and interest, 1959

[In millions of dollars]

	Dividends	Interest	Total
A. Total estimated gap	940	2,837	3,777
To nontaxable filers	106	842	948
To taxable filers	[1] 834	1,995	2,829
B. Revenue gain from complete enforcement	[2] 342	522	[2] 864
C. Revenue gain from 20-percent withholding rate only	[2] 167	333	[2] 500
Difference (B minus C)	175	189	364
Due to—			
Certain unreported interest not subject to withholding		85	85
Tax on unreported interest and dividends of taxpayers with marginal rates higher than 20 percent	175	104	279
D. Revenue gain from withholding plus estimated improvement in upper income brackets [3]	[2] 254	359	[2] 613
Estimated improvement in upper income brackets [3] (D minus C)	87	26	113

[1] Assumes repeal of dividend exclusion.
[2] Assumes repeal of dividend exclusion and credit.
[3] For dividends, it is assumed that withholding will result in ½ of the dividend gap being fully reported and bearing a 41-percent effective rate, and the other half of dividends being taxed only at the withholding rate. For interest, it is assumed that only 25 percent of the interest gap subject to withholding will be fully reported and bear a 26-percent effective rate, and 75 percent would be taxed only at the 20-percent withholding rate.

Office of Tax Analysis, Office of the Secretary of the Treasury, May 3, 1961.

SURVEY IN FAILURE TO REPORT DIVIDENDS AND INTEREST

Mr. DOUGLAS. Mr. President, Secretary Dillon supplied some additional information for the RECORD which was very useful and extremely revealing. First of all, the Internal Revenue Service's Research Division did some sample surveys, based on information documents, of the tax compliance in reporting dividends and interest in 1959.

In the case of dividends in the survey, of some 2,289 cases only 1,455 tax returns, or 64 percent, had dividends reported in full. On 616 returns, or in 27 percent of the cases, dividends which were received were only partially reported, and in 218 cases, or 10 percent of the returns, there were no dividends reported at all. Consequently, in 37 percent of the cases the dividends received by the taxpayers in this survey were either not reported or only partially reported. I ask unanimous consent that a table from Secretary Dillon's testimony, giving the results of the survey, be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Tax compliance in reporting dividends in 1959—Sample survey based on information documents

	Number or amount	Percent of total
Number of cases: [1]		
Total in survey	2,289	100
With dividends fully reported	1,455	64
With dividends partially reported	616	27
With no dividends reported	218	10
Amount of dividends on information documents: [1]		
Total in survey	$2,192,893	100
Reported on returns	1,990,317	91
Unreported on returns	202,576	9

[1] Limited to taxpayers who filed form 1040.
Research Division, Internal Revenue Service, May 3, 1961.

Mr. DOUGLAS. Mr. President, with respect to interest, of the 2,841 returns surveyed some 200, or 7 percent, only partially reported the interest received, and 462, or 16 percent, failed to report any of the interest which was received. In other words, in this survey some 662 tax returns, or 23 percent of the total, either failed to report any of the interest received or only partially reported the interest received.

Mr. President, I ask unanimous consent that a table giving the result of this survey on tax compliance in reporting interest be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Tax compliance in reporting interest in 1959—Sample survey based on information documents

	Number or amount	Percent of total
Number of cases:		
Total in survey	2,841	100
With interest fully reported	2,179	77
With interest partially reported	200	7
With no interest reported	462	16

Tax compliance in reporting interest in 1959—Sample survey based on information documents—Continued

	Number or amount	Percent of total
Amount of interest on information documents:		
Total in survey	$3,105,000	100
Reported on returns	2,559,000	82
Unreported on returns	546,000	18

Research Division, Internal Revenue Service, May 3, 1961.

FAILURE TO REPORT INTEREST ON SAVINGS DEPOSITS

Mr. DOUGLAS. Mr. President, some further studies were conducted by the Research Division of the Internal Revenue Service. One of the most interesting of these was that conducted in New England on the interest paid in 1958 on deposits in mutual savings banks. This survey showed that of 1,279 cases, interest was fully reported by depositors on only 539 returns, or in 42 percent of the cases. On another 69 returns, or in 5 percent of the cases, interest was only partially reported. But no interest was reported at all on 671 returns, or in 53 percent of the total cases. Thus, in 58 percent of the cases, interest paid to depositors in mutual savings banks was either completely unreported or only partially reported on tax returns.

Mr. President, I ask unanimous consent that a table giving the results of this survey from Secretary Dillon's testimony be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Tax compliance in reporting savings account interest in 1958—Sample survey based on depositors in mutual savings banks in New England

	Number	Percent of total
Number of cases:		
Total in survey	1,279	100
With interest fully reported	539	42
With interest partially reported	69	5
With no interest reported	671	53
Amount of interest on savings accounts:		
Total in survey	129,790	100
Reported on returns	80,644	62
Unreported on returns	49,146	38

Source: Internal Revenue Service, Research Division, May 3, 1961.

FAILURE TO REPORT INTEREST ON E-BONDS

Mr. DOUGLAS. Mr. President, Secretary Dillon also placed in the record of the House hearings the results of a study of tax compliance in reporting series E-bond interest by taxpayers who redeemed E-bonds in 1951. This survey showed that 86 percent of those who redeemed E-bonds in 1951 failed to report on their tax returns the interest which they received from these bonds. Another 3 percent reported only a part of the interest received, and in only 11 percent of the cases was this interest fully reported. Thus, in the case of interest on E-bonds, the sample survey shows that 89 percent of the tax returns either failed to report or only partially reported the interest received on E-bonds.

Mr. President, I ask unanimous consent that this table from Secretary Dillon's testimony be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Tax compliance in reporting E-bond interest by taxpayers who redeemed bonds in 1951—Sample survey [1]

	Number (thousands)	Percent of total
Number of individuals redeeming bonds:		
Total number earning interest, where tax return was located for inspection	4,060	100
With interest fully reported	449	11
With interest partially reported	128	3
With no interest reported	3,483	86
Amount of interest on E-bonds (thousand of dollars):		
Total paid out by Treasury, where tax return was located for inspection	$246,357	100
Reported on returns	71,930	29
Unreported on returns	174,427	71

[1] The survey sample results have been "blown up" to represent all taxpayers who redeemed E-Bonds in 1951.

Source: Internal Revenue Service, Research Division, May 3, 1961.

INDIVIDUAL EXAMPLES OF FAILURE TO REPORT DIVIDENDS AND INTEREST

Mr. DOUGLAS. Mr. President, Secretary Dillon also placed in the record a number of examples of underreporting of dividends and interests. The first table gives some 33 cases of individuals who failed to report their income from dividends and/or interest in various years.

I ask unanimous consent that this table and the two other tables which show underreporting or interest and dividends by certain individuals for 1959 from Secretary Dillon's testimony be printed as an appendix to my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOUGLAS. Let us look at some of the examples from these tables.

The first example is that of an attorney. Now, attorneys supposedly know about the law and know that a tax is owed on income from dividends and interest. But here is an example of an attorney who failed to report $3,979 in 1951, $2,508 in 1952, $2,732 in 1953, and $4,016 in 1954, of dividends or interest payments which he must have known were owed to the Government.

Another example is that of a dentist. In 1954 he had $3,186 of dividends and interest income but reported only $75. In 1955 he had $4,283 of interest and dividend income but reported only $75. In 1956 he had $4,828 of dividends and interest income but reported only $75. In 1957 he had $5,665 of interest and dividend income but reported only $92. And in 1958 he had $5,292 of interest and dividend income but reported none at all.

Another example is an executive who failed to report in the 3 years of 1955, 1956, and 1957, $17,949 of interest and dividend income.

This next case is most interesting. It is that of a tax assessor who is also a movie operator. In the 3 years of 1953, 1954, and 1955 he had $7,878 of dividend and interest income on which taxes were owed. This tax assessor, who supposedly knew his business, failed to report a single dollar of this interest on his tax return.

The next case is that of a doctor who, in the 5 years 1954 through 1958, failed to report $6,942 of interest and dividend income.

There is the case of a retired mail carrier who received dividend and interest income of $22,522 in the 4-year period, 1953 through 1956, but did not report a single dime of this income on his tax return.

Another case is that of a dentist who failed to report $26,788 of dividend and interest income in the 4 years, 1954 through 1957.

The Treasury has given us more examples.

An executive whose income reported on his tax return was $14,811 failed to report $986 of interest.

The next case is that of a lawyer whose income, as indicated on his tax return, was $62,000. Apparently he is a pretty high priced lawyer. He ought to know the law. He failed to report $32,570 of taxable inerest. In fact, he reported receiving only $27 in the way of interest. A highly paid lawyer had an income of at least $95,000 a year, $32,570 of which was taxable interest, but he reported only $27 of taxable interest.

Another case is that of a real estate broker with adjusted gross income of $25,615, but he failed to report $3,250 of taxable interest. Another case is that of a certified public accountant—surely he must know the tax laws—who with an income of $34,728, failed to report $2,900 of taxable dividends.

A geologist who made $40,895 in 1959 failed to report $2,040 of taxable dividends.

Another real estate broker had income of $28,963, but he failed to report $324 of taxable dividends.

WHY DIVIDENDS AND INTEREST SHOULD BE WITHHELD AT THE SOURCE

Mr. President, we have seen from the figures and tables which I have already placed in the RECORD that a very substantial amount of dividend and interest payments which are made in this country and on which taxes are actually owed is not reported on the income tax returns of the taxpayers receiving this income.

I stress the fact that under the law, income from dividends and interest is taxable. Some of those who are op-

posing the proposal to withhold taxes on dividends and interest at the source either believe or are spreading the false information that no tax is owed on such amounts and that what the Treasury is proposing is to tax them for the first time.

I cannot stress too strongly that taxes are owed on these amounts. The fact that many people are under the false impression that no taxes are owed on such amounts certainly strengthens the case for withholding at the source both dividends and interest. The fact that some who should know better are deliberately circulating false information is an even stronger reason why the tax on these amounts should be withheld at the source.

In the case of dividends, some $940 million of dividend payments, or 8.8 percent of the total which should be included on tax returns, is not reported.

On interest payments, some $2.8 billion, which represents 35 percent of all interest payments in this country, is not reported on tax returns.

We have seen that even when allowances are made for those whose incomes are so low they owe no taxes, the revenue loss to the Treasury is some $864 million a year. I emphasize again and again that these taxes are owed and that the figure of $864 million represents the amount of taxes evaded or avoided by taxpayers.

To meet this problem the Treasury is proposing a very simple solution, namely, that taxes on dividends and interest should be withheld at the source as is now done in the case of wages and salaries. Furthermore, the Treasury has proposed a very simple method of doing this.

A single rate of 20 percent would be applied to those dividend and interest payments which would be made subject to withholding. To simplify matters there would be no adjustment for exemptions, income levels of the recipients, or the length of the payment period. At the time a corporation or a bank or a savings and loan company or a stock broker or other payor of the dividend and/or interest made the payment, he would merely credit or transmit 80 percent of the total to the person to whom it was owed and transmit the other 20 percent to the Treasury. Under the proposal the bank or other paying agent would not have to send to the Treasury—I repeat, would not have to send to the Treasury—a detailed list of those who received the dividend or interest payment.

They would merely transmit the total amount. Consequently, this is a very simple way of withholding.

The person who received the dividend or interest payment would report that amount on his income tax return at the end of the year. He would then take one-fourth of that amount and add it to the amount received. This would then give the total of dividends and interest he had received including the amount withheld. To take a simple example, suppose a taxpayer in a particular year had an income from dividends and interest in the amount of $100. Twenty percent of this would be withheld at the source and he would receive $80, while the company or bank which paid it to him would have transmitted $20 to the Treasury without identifying to whom the money went. At the end of the year, on a new section of the tax return, the taxpayer would merely do the following: On line 1, indicate total amount of dividends and interest received by you during the year, $80; on line 2, put down one-fourth of line 1—this equals the amount withheld at 20 percent—$20; and on line 3, add lines 1 and 2 to indicate the total of interest and dividends received, $100.

The taxpayer then computes his tax in the usual way. To determine how much he owes the Government or how much the Government owes him, he subtracts from his tax liability, in the usual way, the amounts withheld from wages and salaries and, in addition, the amounts withheld on dividends and interest. This, of course, is the figure in line 2 above.

It is therefore clear that the proposal of the Treasury is a very simple one, both in the case by which the paying corporation could withhold and transmit merely the gross amounts to the Treasury, and in the case by which the taxpayer could work out his tax return at the end of the year.

WHAT ABOUT OVERWITHHOLDING?

The Treasury is also providing that in those few cases where overwithholding will occur because the simple flat rate of 20 percent is used, the taxpayer would be able to file a simple refund form at the end of each quarter. The taxpayer would not have to wait until the end of the year in order to receive a refund. Frankly, I believe this is a very generous proposal. There is no such provision in the law at the present time for those whose wages and salaries are overwithheld against.

Because of unemployment and the fact that far more persons with income from wages and salaries receive amounts too small to make them subject to Federal taxes than is the case with those who receive dividends and interest, this is a most generous provision for those who receive income from dividends and interest. Frankly, they have no legitimate case at all against these provisions.

The Treasury presently pays refunds on income tax returns to some 35 million taxpayers at the end of the year. The Treasury estimates that only 1 million taxpayers would have such refunds due them because of overwithholding on dividends and interest. Yet, in order to meet the objections of this class of people who receive dividends and interest, the Treasury is proposing they be allowed to receive refunds each quarter. Surely 1 million people who will receive quarterly refunds on dividends and interest cannot object to a procedure which puts them in a much more favorable position than the 35 million people who receive only yearly refunds on wages and salaries.

Let me be even more specific about the possibility of overwithholding with respect to various classes of taxpayers.

First. With respect to individuals, there could never be overwithholding for taxpayers in brackets above the lowest one. Hence, there is no problem there. In addition, of course, the small number in the lowest bracket or those who do receive enough income that they would owe any tax at all, would be allowed to file for a quarterly refund.

Second. In the case of corporations, dividend overwithholding would, in many cases, be compensated for by interest underwithholding. Furthermore, corporations would be allowed an offset credit against installment payments of the estimated corporate tax.

Third. In the case of regulated investment companies, personal holding companies, real estate investment trusts, and so forth, they would be allowed to count the amounts withheld on dividends and interest received by them as credits against the amount which they are required to withhold on payments to their own shareholders.

Fourth. In the case of State, local, and foreign governments and tax-exempt organizations, they would be allowed to offset currently the amounts withheld against them against the amounts they withhold from their employees and for social security tax purposes.

I would like to point out that this applies to churches, orphanages, and charitable organizations which are tax exempt. They are allowed to balance the amounts which are withheld from those who receive dividends and interest against the amounts which the nonprofit making organizations may withhold on their employees and on social security taxes.

ARGUMENTS AGAINST THE PROPOSAL

A number of stock arguments are being made against the proposal to withhold on dividends and interest. They are made largely by those who are uninformed or by those who should know better, but who are nonetheless opposing this proposal. The first argument is that the proposal would cause an undue hardship to widows and retired persons who live on dividend and interest income. This argument is just not true. It has as its source the assumption that most of the noncompliance is merely that people with low incomes, who would not owe taxes anyway, are the main recipients of dividend and interest payments.

The facts show that this is not true. According to the testimony of the Secretary of the Treasury, approximately 89 percent or nine-tenths approximately, of the dividends which are not reported on income tax returns are received by those with income of over $5,000 a year. Seventy-one percent of the interest which is not reported is received by those with incomes of over $5,000 a year. See page 34, testimony of Secretary Dillon, before House Ways and Means Committee, May 3, 1961. In other words, over 10 percent fail to report 71 percent of the interest which is not reported.

The fact is that individual taxpayers with incomes below $5,000 a year receive

very little income from dividends and interest. Of all taxpayers with incomes below $5,000 a year only 6.4 percent of them, according to the Treasury, have any income from dividends at all. The $646 million of dividends on the returns of all these with less than $5,000 of income per year—on 24.1 million returns—represents only nine-tenths of 1 percent of the adjusted gross income—$74.2 billion—of all those with incomes below $5,000 per year. Those with incomes of less than $5,000 get less than 1 percent of their income in dividends.

If we take those taxpayers who earn between $5,000 and $10,000 a year we find a similar situation. In this group only 9.7 percent receive any dividend income at all. The $1.2 billion in dividends on the returns of those with incomes between $5,000 and $10,000 represents only 1 percent of the adjusted gross income of $120 billion, which is the amount reported by all those in the $5,000 to $10,000 class.

The Treasury has also provided information which shows that the dividend income received by individuals who do not file tax returns because of their low incomes amounts to only 1 percent of all the taxable dividends which are paid—page 143, Secretary Dillon's testimony to House Ways and Means Committee.

To put this another way around, 99 percent of the dollar amounts of taxable dividend payments go to those whose income is large enough that they are required to file income tax returns.

From these facts it is certainly clear that the argument that withholding is unnecessary because the taxes which are evaded or avoided are from income which goes to those in the very low income class, is just not true.

WIDOWS AND ORPHANS

Mr. President, every time we attempt to make our tax laws fairer, the cry goes up, "What about widows and orphans?"

I hold in my hand an advertisement from the South Bend Tribune of Wednesday, June 7, 1961, which charges that orphanages, widows, pensioners, and even little children would be at a great disadvantage if we were to withhold on dividends and interest. The same thing is also said in connection with the revision of the depletion allowance or the repeal of the dividend credit, to mention only a few of the abuses where the wealthy opponents of the proposal use the widows and orphans to dress up their opposition.

In other words, the wealthy would evade or avoid taxes, and a few widows and orphans would be put in the frontline to be used as a front to enable the wealthy to escape paying the taxes which they themselves should pay.

Mr. President, I ask unanimous consent that the advertisement published in the South Bend Tribune of June 7, 1961, be printed at this point in the RECORD.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

WARNING

This message is vital to anyone who has U.S. savings bonds, savings in a bank, savings in a savings and loan association, a life insurance policy, stocks or bonds of business corporations, or mutual fonds.

Your interest or dividend will be subject to withholding taxes of 20 percent by the Federal Government under bills now proposed to Congress.

This means that churches, synagogues, orphanages, union trust funds, hospitals, all charitable organizations, widows, pensioners, and even little children must file complicated tax forms to obtain refunds. Can you imagine the redtape involved in getting a 50-cent tax refund.

The aged, blind, or indigent earning less than necessary to pay income tax will have to wait months or perhaps a year to get refunds. Meanwhile who buys the groceries while the Government keeps their dividend money at no interest?

Who gains when funds rightfully belonging to the Community Chest, local hospital building fund, or Red Cross are delayed by the tax collector?

This is an added burden to you, as an individual, and the cost of such a mountain of paperwork to our Government could easily be more than the added revenue.

Remember, this insidious bill is not yet passed but hearings to decide the outcome are being held this week in Washington. Act now before it is too late.

If you feel that this withholding tax against your savings is unfair, now is the time for protest; not after the bill is passed. Write your Congressman and Senators today:

Congressman, Third District: JOHN BRADEMAS, House Office Building, Washington, D.C.

Senators: R. VANCE HARTKE, and HOMER E. CAPEHART, Senate Office Building, Washington, D.C.

This message is sponsored in the public interest by the Savings & Loan Associations of South Bend and Mishawaka.

Mr. DOUGLAS. Mr. President, let us consider the argument with respect to dividends paid to widows and orphans.

The Treasury Department's Office of Tax Analysis has provided information with respect to who receives dividends. The table giving this information is to be found on page 169 of Secretary Dillon's testimony before the House Ways and Means Committee. What it shows is very interesting.

In the first place, only 8.7 percent of all tax returns; namely, 5.1 million of some 59 million tax returns, included any dividends at all. In other words, 91.3 percent of all tax returns showed no income from dividends.

When we examine the figures even further, we see that 55 percent of all dividends were on the tax returns of less than 1 percent of those who filed. It is also true that 75 percent of all dividends were reported on the tax returns of only 3 percent of those who filed returns. We further see that almost 75 percent of all dividends went to those who reported adjusted gross income of more than $20,000 a year, and 33 percent of all dividends were paid to those with adjusted gross incomes in excess of $50,000 a year.

What we see from these figures, Mr. President, is that the taxpayers in the very low brackets and the widows and orphans, in whose name tax reform is opposed, merely receive a few crumbs of the total dividend income which is received by the taxpayers in this country. But the well-to-do taxpayers, who are opposing withholding on dividends and interest, and who receive the overwhelming amounts of dividends and interest, are using the supposed plight of the low income taxpayers as an excuse to defeat this legislation.

Yet more than 91 percent of all taxpayers receive no dividends at all, while 1 percent of the taxpayers with income in excess of $20,000 a year receive 55 percent of the dividends.

Not daring to argue these issues on their merit, these groups attempt to invoke the sympathy of legislators and the public for widows and orphans in order to prevent us from legislating to require these powerful groups to pay their fair share of the taxes owed.

INTEREST ON COUPON BONDS

Whenever, in the past, we have proposed withholding on interest and dividends—and I have done so for a number of years—one of the objections raised is, "What do you do about coupon bonds?" The question is raised, "How does the corner grocery store withhold on coupon bonds?"

Mr. President, I have never heard of a corner grocery store cashing a coupon bond. It is possible that at some time or other this may have been done, but we all know that coupon bonds are cashed by banks. In fact, more often than not, the owner of the bond will have the coupons in his safety deposit box in the bank, and when he decides to clip a coupon bond, he will turn it over to the bank for payment so that he can get his cash.

Under the Treasury proposal, the bank which accepted the interest coupons for collection would pay the bearer 80 percent of the amount of interest which was due, and would withhold 20 percent. In turn, the bank would receive from either the corporation or the Government who owned the bond 80 percent of the amount due. The amount withheld would be transmitted to the Treasury by the ultimate payor, not by the bank or any other institution which cashed the coupon.

Nothing could be easier. Nothing could be more simple. The question "What about coupon bonds?" should not affect our deliberation on this bill in any way, for it is irrelevant to the basic question.

COST OF COMPLIANCE

I have already shown the simplicity of the proposal of the Treasury. It is nonetheless argued by some that it would cost more to withhold on dividends and interest than it would be worth. Certainly it would cost very little to the companies involved and to the banks and the savings and loan companies, as I have pointed out. In fact, there would be almost no added burden at all, because they would not have to itemize the amounts which were withheld from wages; they would merely have to deduct 20 percent of the total amount, without itemization. It would not be necessary for them to make a single extra entry. Also, the cost to the Treasury would be relatively small.

The Treasury estimates that under its proposal for withholding at the source on dividends and interest it would receive additional revenue of at least $613 million of the $864 million a year of in-

terest and dividend income which is now owed the Government but which is now evaded or avoided.

The Treasury also estimates that the cost of collecting this amount by withholding would be $18 million a year, or only 3 percent of the $613 million which the Treasury would receive. It does not seem to me that the argument about cost is supported by the facts.

CONCLUSION

Mr. President, some $940 million in dividend payments and some $2.8 billion in interest payments made yearly in the United States, and on most of which taxes are owed, are nevertheless not reported on the income tax returns of taxpayers. When every allowance is made for low-income taxpayers, we find that some $864 million in taxes on these amounts which are owed now escape taxation and are not reported by taxpayers.

The Treasury has devised a simple method of collecting these taxes by withholding on dividends and interest at the source. As I have repeatedly said, it would require almost no paperwork by the withholding organization. It would cause very little trouble to the taxpayer. Furthermore, where overwithholding would exist, this group of taxpayers is to be given a special break over the 35 million taxpayers whose wages and salaries are now overwithheld against and they are to be given a quarterly refund if they apply on a simple form.

While every argument known to man is thrown up as an objection against withholding on these amounts, I suspect the real reason is that many among those who now receive or disburse such dividend and interest income are under the false illusion that they now owe no taxes on these amounts.

This, of course, is not true. Taxes are owed on these amounts. When $836 million of taxes owed are evaded or avoided by these taxpayers—who as a class are among the highest income groups in the country—then others and lower income taxpayers must make up the difference in the higher taxes which they pay.

This is unfair and unjust and will lead to the decay of our tax system if it is not changed by the simple proposal which the Treasury has made.

Mr. President, the tax program of the President is obviously in trouble in the House of Representatives. If the Senate is to act on a tax bill this year, it is necessary that the bill should come over to the Senate relatively soon. The Treasury began to present its evidence on May 5. The hearings were concluded on June 9. The Committee on Ways and Means has been meeting since June 9. Almost every day press notices are issued to the effect that this feature and that feature of the President's tax program has been either eliminated or whittled down. The House is likely to find itself faced with an extremely truncated measure.

Some of us withheld offering amendments to the tax bill which came before the Senate toward the end of June, on the promise, as I understood, that the House would send a bill to us by July 15. July 15 will occur tomorrow. There is no prospect that the bill will be out of committee by that time. After the Committee on Ways and Means has concluded its action on the bill, it will have to go before the Committee on Rules and will have to be voted on by the House. It is likely to come to the Senate in a very mangled form.

Unless the House acts quickly, and unless the Senate acts promptly thereafter, we shall likely find ourselves either legislating too late in the session or passing an extremely inadequate tax measure. I hope Senators may awaken to the seriousness of the situation, and that both within the Committee on Finance and, if necessary, on the floor of the Senate, changes may be presented in the House bill which will place in effect most of the features of the President's program and plug many of the tax loopholes which now exist and which greatly weaken the tax structure.

EXHIBIT 1.—*Selected examples of substantial underreporting of dividends and/or interest in recent fraud prosecution cases*

Case No.	Dividends and/or interest			Tax year	Adjusted gross income per return	Occupation of taxpayer
	Determined to be reportable	Reported on return	Underreported			
1	$6,110	$250	$5,860	1954	$1,582	Farmer.
	5,779	0	5,779	1955	1,641	
	5,705	0	5,705	1956	1,605	
	5,388	0	5,388	1957	1,621	
2	4,490	397	4,093	1954	22,432	Picture theater.
3	1,962	871	1,091	1954	3,109	Maintenance service.
	1,994	837	1,157	1955	4,079	
	927	0	927	1956	4,912	
	2,194	1,686	508	1957	8,379	
4	3,143	0	3,143	1953	1,490	Broker-sales.
	5,695	0	5,695	1954	1,501	
	6,046	0	6,046	1955	1,402	
5	7,371	0	7,371	1953	4,366	Home builder and farmer.
	10,459	0	10,459	1954	24,464	
6	16,321	3,449	12,872	1955	19,062	Furniture store.
7	7,009	3,030	3,979	1951	11,766	Attorney.
	5,947	3,439	2,508	1952	12,563	
	5,631	2,899	2,732	1953	(831)	
	11,725	7,709	4,016	1954	20,841	
8	20,785	5,183	15,602	1954	8,403	Rental property.
	45,682	9,466	36,216	1955	33,776	
	47,689	29,046	18,643	1956	45,069	
9	3,186	75	3,111	1954	4,249	Dentist.
	4,283	75	4,208	1955	4,400	
	4,828	75	4,753	1956	7,720	
	5,665	92	5,573	1957	8,322	
	5,292	0	5,292	1958	10,892	
10	1,396	0	1,396	1953	3,289	Self-employed.
	1,576	0	1,576	1954	2,764	
	1,835	0	1,835	1955	2,695	
	2,400	0	2,400	1956	4,240	
11	2,377	0	2,377	1953	(863)	Cattle dealer.
	3,610	0	3,610	1954	4,736	
12	12,473	6,128	6,345	1955	80,661	Executive.
	15,216	6,442	8,774	1956	79,800	
	21,777	18,947	2,830	1957	96,223	
13	2,961	1,961	1,000	1953	12,438	Salesman and salesgirl.
	3,171	2,035	1,136	1954	12,637	
	3,677	2,269	1,408	1955	10,400	
14	100,457	0	100,457	1953	?	Real estate.
	78,673	0	78,673	1954	9,554	
	69,086	0	69,086	1955	8,558	
	74,496	22,649	51,847	1956	382,043	
15	3,140	0	3,140	1953	2,000	Extractor.
	3,109	0	3,109	1954	2,117	
	3,269	755	2,514	1955	2,945	
	3,231	1,420	1,811	1956	1,557	
16	28,693	0	28,693	1953	(1)	Not stated (delinquent return).
	26,143	0	26,143	1954	70,347	
17	$1,778	$325	$1,453	1953	$1,660	Farming.
	1,939	350	1,589	1954	2,124	
	2,341	365	1,976	1955	1,960	
18	2,347	1,119	1,229	1956	7,450	Not stated.
19	7,163	0	7,163	1955	16,876	Farmer.
	12,827	0	12,827	1956	16,239	
20	14,647	0	14,647	1952	(1)	Not stated.
	14,989	0	14,989	1953	(1)	
	15,412	0	15,412	1954	(1)	
	16,704	0	16,704	1955	(1)	
	18,852	0	18,852	1956	(1)	
	19,101	0	19,101	1957	(1)	
21	11,718	0	11,718	1954	(1)	Do.
	15,266	0	15,266	1955	(1)	
22	3,132	0	3,132	1955	(1)	Do.
	2,640	0	2,640	1956	(1)	
23	97	0	973	1953	5,800	Store manager.
	----------	0	1,117	1954	7,446	
	----------	0	1,423	1955	7,652	
	----------	0	3,609	1956	24,659	
24	422	0	422	1953	?	Farming.
	1,669	658	1,011	1954	3,923	
	2,520	792	1,728	1955	2,907	
	2,424	1,436	988	1956	424	
25	2,239	0	2,239	1953	8,615	Tax assessor and movie operator.
	2,486	0	2,486	1954	9,045	
	3,113	0	3,113	1955	10,638	
26	7,504	4,976	2,528	1952	16,161	Merchandise warehousing and trading.
	5,303	5,271	32	1953	14,409	
	7,456	5,646	1,810	1954	15,969	
27	2,334	361	1,973	1954	12,212	Physician and surgeon.
	2,086	611	1,975	1955	13,668	
	3,203	2,310	893	1956	14,203	
	3,664	2,580	1,084	1957	16,336	
	3,714	2,697	1,017	1958	15,445	
28	4,550	0	4,550	1953	1,632	Retired mail carrier.
	4,654	0	4,654	1954	1,632	
	6,010	0	6,010	1955	1,664	
	7,308	0	7,308	1956	1,824	
29	12,721	4,043	8,678	1954	8,514	Dentist.
	12,082	6,469	5,613	1955	11,247	
	12,877	6,892	5,985	1956	11,950	
	14,902	8,390	6,512	1957	13,612	
30	5,504	523	4,981	1953	7,863	Not stated.
	7,128	873	6,255	1954	9,038	
	8,453	1,023	7,430	1955	8,558	
	10,262	1,523	8,739	1956	6,761	
31	7,226	121	7,105	1953	3,288	Self-employed.
	6,706	1,508	5,198	1954	7,600	

[1] No return.

EXHIBIT 1.—*Selected examples of substantial underreporting of dividends and/or interest in recent fraud prosecution cases*—Continued

Case No.	Dividends and/or interest			Tax year	Adjusted gross income per return	Occupation of taxpayer	Case No.	Dividends and/or interest			Tax year	Adjusted gross income per return	Occupation of taxpayer
	Determined to be reportable	Reported on return	Underreported					Determined to be reportable	Reported on return	Underreported			
31	$9,811	$164	$9,647	1955	$10,652		32	$112,950	$91,410	$21,540	1956	$140,116	
	18,671	336	18,335	1956	10,762		33	5,515	2,548	2,967	1953	6,105	Printer.
	15,848	476	15,372	1957	13,610			4,903	2,023	2,880	1954	6,494	
32	117,367	89,940	27,427	1953	89,940	Investments.		6,015	2,885	3,130	1955	7,846	
	113,671	93,532	20,139	1954	409,516			6,803	3,426	3,377	1956	9,100	
	66,592	60,325	6,267	1955	163,899								

Selected examples of substantial underreporting of interest on 1959 income tax returns

Case No.	Taxable interest			Adjusted gross income per return	Occupation of taxpayer	Case No.	Taxable interest			Adjusted gross income per return	Occupation of taxpayer
	On information documents	Reported on return [1]	Underreported				On information documents	Reported on return [1]	Underreported		
1	$2,100	$470	$2,100	$5,815	Renting of property.	21	$679	0	$679	$10,463	Farmer.
2	774	26	774	3,972	Executive.	22	1,375	$555	1,375	2,016	Retired.
3	657	0	657	13,201	Steel cutter.	23	1,425	706	1,425	9,720	Merchant.
4	986	0	986	14,811	Executive.	24	649	0	649	10,932	Orchardist.
5	1,680	513	1,680	8,934	Not stated.	25	729	51	729	10,283	Janitor and custodian.
6	907	0	907	7,044	Retired.	26	3,066	1,650	3,066	3,399	Cattle.
7	992	94	992	2,581	Farmer.	27	682	0	682	6,658	Farmer.
8	801	0	801	4,058	Do.	28	2,562	0	2,562	10,839	Real estate and insurance agent.
9	606	0	606	7,201	Not stated.						
10	8,000	3,790	8,000	15,105	Student.	29	678	0	678	7,843	Farmer (retired).
11	32,570	27	32,570	62,617	Lawyer.	30	792	0	792	10,066	Merchant.
12	8,400	706	8,400	[2] 1,713	Not stated.	31	1,364	858	506	4,036	Dairyman.
13	1,800	495	1,305	4,952	Do.	32	780	0	780	24,780	District manager.
14	650	0	650	6,224	Do.	33	1,182	0	1,182	1,940	Not stated.
15	738	0	738	8,688	Switchboard operator.	34	3,250	0	3,250	25,615	Real estate broker.
16	719	0	719	10,212	Corporation officer.	35	6,152	3,948	3,064	32,574	Hotel executive.
17	607	0	607	1,185	Not stated.	36	2,839	0	2,839	23,691	Farming.
18	1,157	133	1,157	3,617	Teacher.	37	765	0	765	4,059	Packing plant.
19	2,344	1,152	2,344	11,141	Housewife.	38	1,273	0	1,273	8,996	Insurance clerk.
20	1,001	0	1,001	4,336	Not stated.						

[1] Unreported interest is the amount reported on information returns but not reported on the return. The interest reported on the return may cover amounts not covered by information documents, especially in the case of joint returns where documents for only 1 spouse were available. As a result, the "underreported" amount may not equal the difference between the document and the return amounts.
[2] Loss.

Selected examples of substantial underreporting of dividends on 1959 income tax returns

Case No.	Taxable dividends			Adjusted gross income per return	Occupation of taxpayer	Case No.	Taxable dividends			Adjusted gross income per return	Occupation of taxpayer
	On information documents	Reported on return [1]	Underreported				On information documents	Reported on return [1]	Underreported		
1	$871	$231	$640	$7,866	Mechanic.	11	$405	0	$405	$4,335	Not stated.
2	1,470	572	898	2,016	Factory worker.	12	918	$519	467	716	Clerk.
3	1,361	421	940	4,182	Clerk.	13	5,546	3,020	3,253	12,970	Not stated.
4	344	0	344	11,804	Do.	14	2,448	408	2,040	40,895	Geologist.
5	343	0	343	3,971	Collector.	15	6,814	1,796	6,147	2,435	Not stated.
6	2,087	1,125	1,152	5,715	Barber.	16	12,573	0	12,573	11,222	Lawyer.
7	1,711	22,172	1,711	43,561	Not stated.	17	2,661	3,067	702	19,089	Housewife.
8	590	0	590	5,035	Clerk.	18	1,937	2,656	726	25,880	Not stated.
9	558	241	453	4,467	Dressmaker.	19	324	0	324	28,963	Real estate broker.
10	3,214	3,676	2,900	34,728	Certified public accountant.	20	6,657	5,479	1,865	6,821	Not stated.
						21	761	425	336	4,120	Laborer.

[1] Unreported dividends are the amounts reported on information returns but not reported on the return. The dividends reported on the return may cover amounts not covered by information documents, especially in the case of joint returns where documents for only 1 spouse were available. As a result, the "underreported" amount may not equal the difference between the document and the return amounts.

FEED DISASTER RELIEF

Mr. MANSFIELD. Mr. President, according to my understanding, the parliamentary situation is that the Senate is now considering the motion for the reconsideration of the vote by which Senate bill 2197 was passed.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The question is on agreeing to the motion that the Senate reconsider the vote by which Senate bill 2197, to amend section 107(a)(3) of the Soil Bank Act, as amended, was passed. [Putting the question.]

The motion was agreed to.

The PRESIDING OFFICER. The motion to reconsider has been agreed to; and Senate bill 2197 is now before the Senate for further consideration.

Mr. MANSFIELD. Mr. President, this bill was reported on last Wednesday from the Committee on Agriculture and Forestry. On the same day it was brought before the Senate, for consideration—largely on my own responsibility. I thought I had checked with all Senators concerned, but I did not quite cover the entire field. The result was that reconsideration of the vote by which the bill was passed was requested; and that request was made within the rights of Senators and the rules, and procedures of the Senate, because no report on the bill was available for general distribution at the time when the bill was brought up in the Senate; and extremely quick action was taken on the bill, which had been reported unanimously, that day, from the Committee on Agriculture and Forestry.

It is my hope that on the basis of the action taken a moment ago by the Senate on the motion to reconsider, with the result that the bill is now before the Senate, we shall be able to bring about a nailing down in regard to exactly the intent of the bill, because enactment of

the bill is vitally needed for the benefit of the northern Great Plains States, in the area extending from Montana, east of the Continental Divide, I believe, all the way into Wisconsin.

The bill has been sponsored by the distinguished Senators from South Dakota [Mr. MUNDT and Mr. CASE], the distinguished Senators from Minnesota [Mr. HUMPHREY and Mr. MCCARTHY], the distinguished Senators from North Dakota [Mr. YOUNG and Mr. BURDICK], the distinguished Senator from Wisconsin [Mr. WILEY], and by my colleague from Montana [Mr. METCALF], and myself.

So I express the hope that after the exact effect of the bill is made clear, the bill will promptly be passed.

Mr. MUNDT. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. Yes, indeed.

Mr. MUNDT. Mr. President, in support of what the majority leader has said, let me state, for the benefit of my good friend, the Senator from Delaware [Mr. WILLIAMS], that earlier in the week the majority leader had announced to the Senate that as soon as the Committee on Agriculture and Forestry reported the bill, he would seek to have the bill brought up for immediate action by the Senate; and when I brought up the bill and motioned it out of committee on the day when it was reported to the Senate, I stated that the majority leader had made that announcement. As a matter of fact on a previous occasion the vote on the bill was reconsidered, and the bill was returned to the Committee on Agriculture and Forestry, because of some confusion of language which had to be straightened out.

Although it is true that the Senator from Delaware [Mr. WILLIAMS] is exactly within his rights, because there was no opportunity to have the report on the bill printed and circulated in the normal fashion, yet it is important to note that in this instance we are dealing with a measure to provide relief in an emergency situation, and we are trying to fight the disaster of drought with all the tools available, plus the fact that the concept of this bill is foursquare with what Congress has done previously, in similar circumstances, in years gone by.

Mr. MANSFIELD. Mr. President, let me say to the Senator from South Dakota that in an attempt to "touch all the bases," I did contact the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], the Senator from Georgia [Mr. TALMADGE], who reported the bill, the Senator from South Dakota [Mr. MUNDT], the distinguished minority leader [Mr. DIRKSEN], and all other Senators I could think of in connection with the bill. But I did miss contacting the Senator from Delaware [Mr. WILLIAMS], and I must apologize for that.

Mr. MUNDT. The Senator from Delaware formerly was a distinguished member of our committee; and if he were still a member of it, he would certainly have been notified. We hated to have him leave the committee, even though frequently we disagreed with his counsel.

Mr. MANSFIELD. Furthermore, the Senator from Delaware has stated many times his belief—and he was quite correct, I think—that the reports on bills should be on the desks of Senators when Senate consideration of the bills is requested.

Mr. WILLIAMS of Delaware. Mr. President, I regretted the necessity of filing the motion requesting reconsideration of the vote by which the bill was passed. I realize the threat of disaster which faces the people of the area affected, and I realize the necessity for taking prompt action. I informed the majority leader that I would cooperate with him in that regard. I was only requesting an opportunity to check on certain features of the bill.

As I said in the beginning, I am in wholehearted agreement with the objective of the bill, which is to assist those in the affected area who, through no fault of their own but solely as a result of the drought, are threatened with disacter unless some action is taken.

But I wish to make sure that the bill will not be susceptible to abuse. In that connection, I refer to abuse such as that which developed a few years ago under a similar plan which was developed for the relief of those in the Southwest. As members of the committee so well remember, at that time we found, for example, that the famous King Ranch was obtaining relief under that drought-relief program, although certainly it was never intended that the King Ranch should have been eligible. That ranch covers an area larger than the total area of my own State, and certainly the owner of that much land does not need public relief.

In another situation we found that the owner of a racehorse was obtaining relief under that act, at the same time that his horse was winning the Belmont Stakes. I venture to say that that was the first time in the history of the United States that a racehorse winning the Belmont Stakes won it for the benefit of an owner who was on relief. I know of no Member of Congress who intended that to happen. Nevertheless, it did happen.

That is why I wish to make sure that when we enact this bill to provide needed drought relief—which we wish to provide—the bill be in such form that the relief provided thereunder will go to those farmers in the area who need it, not to those who do not need it.

Mr. TALMADGE. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. TALMADGE. In order to make perfectly clear the legislative record on this matter, let me say that I certainly agree with the Senator from Delaware that any person who does not need such assistance should not receive it. Certainly the owners of racehorses should not be on Government relief. However, I may say to the Senator from Delaware that the action in that instance was an administrative rather than a legislative matter.

In order to make perfectly clear the intent of this measure, I wish to read, as part of the legislative history of the bill, a portion of the committee report, as follows:

> Such feed relief could be made only to farmers in financial need of such assistance.

Those words are to be found in the next to the last paragraph on page 1 of the committee report. The paragraph is identified by the numeral "(4)."

Mr. WILLIAMS of Delaware. I agree as to that; and the Senator from Georgia was entirely correct when he said the difficulty in the case to which I referred was largely the result of loose administrative action. But the Government was not able to collect a refund on its claims once the payments were made—at least, I do not know of any instance in which the Government was able to collect on any of its claims.

The Senator from South Dakota stated that Senate bill 2197 will merely extend existing law. Perhaps he is correct, but——

Mr. MUNDT. Mr. President, let me point out that I did not make such a statement. I said this bill is foursquare with the concept of measures of this sort which the Congress previously has passed.

Let me point out that the committee amendment on page 3 of the bill, in lines 7 through 11, includes the following:

> Such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by them.

In that connection, Mr. President, I emphasize the word "hardship." I do not think anyone could find, under any circumstances in the world, that it was a hardship for the King Ranch to buy feed for animals owned by it.

Mr. WILLIAMS of Delaware. I appreciate what the Senator from South Dakota has said. But in the first part of section 3 of the bill we find this language:

> Section 407 of the Agricultural Act of 1949, as amended, is hereby amended by * * * adding to such sentence the following—

And on page 3 of the committee report, in the third paragraph, we find the following:

> The proposed amendment would permit more expeditious relief under section 407 since assistance would not be confined to major disaster areas as determined under Public Law 875, 81st Congress, and would permit the Secretary to make CCC stocks of feed grain available under such terms and conditions as are most fitting to the existing emergency.

This latter quote is from a letter written by the Secretary of Agriculture, Orville L. Freeman, and I understand that section was adopted as a part of the bill.

If section 407 has been modified to confer upon the Secretary authority to determine what is a distressed area then I am correct in my understanding that the bill is being broadened.

Mr. TALMADGE. We have not changed in any degree the authority of the local officials, or ultimately the

President of the United States, to determine a disaster area; but, in order to cover in detail finally, and I hope fully, what the Senator has raised in his question, as to who are authorized and qualified to get the feed, I call attention to page 3 of the bill itself, line 7, and I read beginning after the comma:

Such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by them.

I assume the Senator is fully familiar with the reasons for the legislation. Vast sections of our country are having droughts of very serious proportions. In fact, the situation has become so serious that many farmers have already begun liquidation of their foundation herds. This already has depressed the price of livestock some 4 cents a pound, and it will be lowered further if liquidation continues. In addition, farmers will be deprived of their means of livelihood if they are forced to liquidate their herds.

Most of the Nation's $9-billion-plus agricultural surplus is in grain. We have been giving it away to other countries which have used it for various purposes. The Committee on Agriculture and Forestry felt that it would be a grave injustice to drive farmers out of business in the United States of America while the taxpayers are bearing the costs of storage charges for surplus grain and such grain is being given away overseas.

This bill authorizes the Secretary of Agriculture to sell to distressed farmers who cannot get feed through normal channels the grain they need at 75 percent of the current support price. The bill enables the Secretary, under certain conditions, to permit grazing on lands in conservation reserve contiguous to drought areas. It also permits the cutting of hay from such lands under certain conditions.

In general, this is a bill to deal with a hardship situation—to help farmers who are victims of nature and do not have feed to sustain their livestock herds.

Mr. WILLIAMS of Delaware. I find myself in complete agreement with that objective. I am not quarreling with the objective which the Senator from Georgia and the committee are trying to achieve. It may well be that the bill is drafted in such a form that it will restrict itself to that objective alone, but I want to be sure. I think we should do something to assist farmers in keeping their basic herds, but I do not see anything in this language which would prevent, we will say, a man who has a feeder lot from receiving these same benefits. He may be suffering financial hardship, too. A lot of them are in financial hardship as feeders of cattle purely as the result of market conditions whether they are in a drought area or not. Many feeders were going to buy feed, regardless of whether there was a drought or not. Perhaps he never intended to produce his own feed.

We should do something to safeguard and protect farmers who are trying to maintain their basic herds, but I am afraid the bill is not drafted in such language as would confine it to them.

Is there anything in the bill which would prevent a feeder, a man who has, say, 100 steers in the feed lot and who was going to buy all of his feed anyway, from participating under the benefits of this cheap feed? If so, then he will have a competitive advantage over his neighbor who lives just across the line of the declared area.

Mr. TALMADGE. This bill is designed to give relief to farmers adversely affected by the drought. The cattle feeder would not be involved in the situation at all. If he is a feeder he is not a farmer, and this bill is designed for farmers affected by the drought, not for cattle feeders, in or out of drought areas.

Mr. WILLIAMS of Delaware. Would the Senator have any objection to amending the bill specifically spelling out that point? Or can we be assured that the present language so provides?

Mr. TALMADGE. I am not the author of the bill. I merely reported it from the committee. I see no objection to it if the language is designed in such form as to provide that where one is engaged in feeding, or feeding only, these provisions do not apply. There may be some situations where a person will be operating a pasture and feeding at the same time, where the provisions of the bill will be applicable to him with respect to his pasture and not be applicable to him with respect to his feeding operations.

Mr. WILLIAMS of Delaware. I am speaking particularly of section 3.

Mr. TALMADGE. I certainly think the Secretary and his subordinates would not be carrying out the spirit of the act if they implemented it in any way to help those engaged solely in the business of feeding cattle. The purpose of the bill obviously is to help a farmer who has a pasture which has dried up and who has no feed for his cattle. The bill is designed to save the foundation herds of such farmers.

Mr. WILLIAMS of Delaware. If we can get the bill in a form to carry out that objective, not only will I withdraw any opposition to it but I will also wholeheartedly support it. All I want to do is make sure we are doing only that which is intended, rather than opening it up for abuse.

One suggestion I made to some Members would go far in trying to eliminate abuses. A lot of the problems are administrative ones. I recognize that fact. But if we could incorporate a provision in section 3—and I am not speaking of the other two sections because this would not be applicable to them—in which we could require some percentage of State participation in the cost, then we would be sure we were going to have local supervision over the operation of the law.

In the past I have suggested 25 percent State participation. I am not arguing for that specific figure of 25 percent. It is not the percentage that counts. Perhaps the States could put up 10 percent. If we had some sort of local and State participation, public opinion would see to it that the relief was granted only where it was needed. I wonder if the sponsors of the bill would be willing to approach the problem in that way.

I am in complete agreement with the objective stated by the Senator. I just want to be sure we do not open the program up to abuse.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MANSFIELD. I hope the Senator will not press that point. What he has said has merit, but may I point out that Montana was one of two States which were not prepared, legislatively, to make the necessary appropriation when most of our State was declared a drought disaster area.

Furthermore, if the Senator pursues this particular proposal, it would mean that in practically every State in the northern Great Plains a special session of their legislatures would be necessary, which in turn would be quite expensive and might not be able to accomplish what the Senator has in mind.

I express the hope, most respectfully, that the Senator will give this serious consideration before he pushes it.

Mr. WILLIAMS of Delaware. I was speaking only with reference to amending section 3. We could make it applicable only to section 3 of the bill. The other two sections would go into effect immediately. The other two sections are the sections which were in the bill as originally introduced. Section 3 primarily is a committee amendment which was put on as a last minute proposal.

While I realize that such action may necessitate having special sessions of the legislatures of the States, nevertheless, as one who has advanced this proposal on at least a dozen different occasions in the past 5 or 6 years, I must say it has been passed over, as the Senator from Montana well knows, each time on the basis that "The legislatures are in adjournment now; let us do it later." We never get around to doing it.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, I wish to state we really are in a most terrible emergency situation at the present time due not only to the drought but also to the grasshoppers.

Mr. WILLIAMS of Delaware. I realize that. As I say, this would not affect the other two sections of the bill. Those deal with the use of the soil bank and with the hay. This proposal would not affect those sections. It would not affect anything except section 3, which was added to the bill in committee.

I am not threatening to push the proposal at this time. I realize that we are dealing with something very important to the people in the drought and disaster area and that it is necessary for the Congress to take action promptly. I am not trying to delay action. If we can work out some language which will give adequate protection I am willing to go along with it, even though I personally feel that State participation is the ultimate answer to the problem. I am not threat-

ening to delay the bill if it does not require some sort of State participation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I appreciate the constructive attitude which the Senator from Delaware uses in his approach to the problem. The Senator has very properly brought to the attention of the Senate and of the country some abuses in regard to prior relief programs. None of us wishes to see those abuses repeated.

My personal interest rests primarily with the early part of the amendment itself, relating to hay and the grazing on the soil bank acres in counties which may be adjacent to or nearby the disaster area. The relief has to come there, so far as hay is concerned, because in the true disaster counties there is no hay.

Addressing myself to the particular problem the Senator from Delaware has raised, as it relates to section 3 of the amendment, section 407 of the basic act, and to this particular language quoted, it seems to me there is a possible interpretation we could use, which we could establish in the debate before the Senate, to meet the problem the Senator has in mind.

I invite attention to the fact that the last clause of the amendment proposed for the act says "feed for livestock owned by them." I purposely emphasize the word "owned."

A livestock feeder buys stock. In his operation he is buying and turning over the stock. What we are seeking to do is to provide for the preservation of foundation herds for livestock which is owned or livestock which is raised by the man. We are not seeking to make provision for the man who is a commercial feeder, who is in the business of buying cattle and turning them over. We are seeking to provide for the preservation of the foundation herds.

A county agency told me the other day he thought that in his county and in the two counties adjacent thereto 65 to 75 percent of the cattle were moving out or being sold now. Obviously that will impair the earning ability of those farmers—it will do so for 2 or 3 years, even if they are good years—before the farmers can get back on their feet.

It does not seem to me that the man who is in the business of buying and selling cattle should rebuy at a distress feed figure. If a man is in that business, he expects to buy feed at the commercial rate. That is a commercial operation. If a proper interpretation is put upon the word "owned," it seems to me there is a limitation in the language itself. This is a program to make feed available to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by them.

That would make it possible for a feeder to take care of the livestock he has on hand. I doubt that the language should be construed to permit a feeder to feed cattle out and then go to the market and buy more cattle to feed at 75 percent of the normal cost of feed.

Mr. YOUNG of North Dakota, Mr. TALMADGE, and Mr. BURDICK addressed the Chair.

Mr. WILLIAMS of Delaware. I will yield to the Senators in a moment.

I know the Senator from South Dakota, as is true of other Senators, has the same objective I have. I am confident we can work out something, whether it is in amending the language or in strengthening the legislative intent. I repeat, I am not in any way trying to block the objectives of the bill, but I am determined to have it protected against abuse.

Mr. President, I yield first to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I agree completely with the objectives of the Senator from Delaware to prevent misuse of the program. If the amendment were approved requiring that the States contribute part of the money for the program, two or three problems would arise. One of them, of course, is the problem with respect to time required for the legislatures of the States to meet and enact the necessary programs. A long delay would result. There would be still more hardship for these farmers, and still more liquidation of herds.

I think there also would be a problem in regard to any program requiring matching funds from the States. If such a program were to be enacted, it should not apply just to farmers. I think, when there is matching by States, we should include all of the programs. It would be a bit difficult to write legislation of that kind hurriedly.

Mr. WILLIAMS of Delaware. I agree with the Senator from North Dakota that it should cover all of them, but I do not think it would be too much of a problem to get the proper language because the proposal has passed the House of Representatives on one occasion and it has been before the Senate committee when both the Senator and I were members of the committee. In fact, I think we have the language already drafted.

I recognize the desire for prompt action on this bill. If we can work out a solution in some other manner I am not going to push that particular proposal for State participation at this time even though I do think it should be the ultimate objective.

At the same time, I am a little bit concerned about this particular language. Perhaps we can provide some modification of the language, or perhaps we can let section 3 go over to a later date, until we have it more properly drafted. Anyway, the first two sections of the bill are not in any way affected by what I am proposing now.

Mr. TALMADGE and Mr. BURDICK addressed the Chair.

Mr. WILLIAMS of Delaware. I yield first to the Senator from Georgia, who is in charge of the bill.

Mr. TALMADGE. I appreciate the cooperation of the Senator from Delaware in not insisting that States in the drought area call special sessions of their legislatures to pass enabling legislation and raise matching funds.

As the Senator knows, we are dealing with a disaster situation. The problem is critical and time is of the essence. Anything which requires joint participation by the Federal Government and the respective States would require a great deal of time.

I think the legislative history has been made quite clear on this matter. Every Senator who has made comments on the problem has been of the opinion that the program is designed solely and simply for the purpose of helping farmers who, because of the drought which has adversely affected their pastures, do not have adequate feed to maintain their foundation herds. It applies in no way to the cattle feeders. It is not designed to assist those who are engaged solely in the cattle-feeding business.

As the Senator knows, a great many farmers in the area produce calves and feed those calves after they have been weaned. They are engaged in the production as well as the feeding of calves. When one tries to delineate as between those who are farmers and those who are feeders there is often a hybrid situation, and sometimes the names apply to both groups.

I do not know how an amendment could be drafted which would specifically exclude feeders and at the same time not exclude farmers.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. TALMADGE. The Senator from Delaware has the floor. If the Senator will permit me to do so, I shall yield at this time to the Senator from South Dakota.

Mr. WILLIAMS of Delaware. Mr. President, I yield.

Mr. CASE of South Dakota. Mr. President, I was trying to suggest that there is a delineation in the language, in the use of the word "owned." A feeder is in the business of buying. I do not think anybody would suggest that we wish to encourage speculation in the feeding of cattle by encouraging somebody to buy cattle for the purpose of taking advantage of a 75-percent rate on feed. If the cattle are owned at the time of enactment of the legislation or at the time the disaster area is declared to exist, then when the disaster strikes it seems to me to be logical for those persons to receive the benefits of the act.

Mr. TALMADGE. I believe the Senator is entirely correct. I do not think he could go out and purchase cattle at the present time and come under the provisions of the act. A farmer could not purchase cattle after the passage of this act and then feed them under the provisions of it.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HRUSKA. In reading the language contained on page 5 of the report, I cannot see how that reasoning and conclusion can possibly be reached.

Mr. TALMADGE. I agree fully with the Senator.

Mr. HRUSKA. Obviously from this language there is no requirement that the cattle be owned in order to be eligible for the feed at 75 percent of the price.

Mr. CASE of South Dakota. Does the Senator suggest that farmers would go out and speculate with the intention of taking advantage of the 75-percent price?

Mr. HRUSKA. Yes; I think such farmers would be eligible under the proposed language. I will tell the Senator why. There is no time limitation under the amendment. The catastrophe to which the amendment would apply has not arisen, and we can only speculate as to whether it will arise next fall. If it does. And if an emergency is then declared, the cattle will not be owned at this time. There is nothing in the language of the bill that provides the cattle must not be newly purchased cattle. Then when farmers apply for feed at 75 percent price and assert that they own the cattle, they can have the feed under the terms of the proposed legislation.

Mr. CASE of South Dakota. If the Senator will read further in the basic act, he will see there is a limitation. This is the part of the sentence to which I am referring:

> * * * Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855), and shall make feed owned or controlled by it available * * *.

It would have to be in a distressed area, and so declared.

Mr. HRUSKA. The Senator is right, but there is nothing in the bill that provides that any farmer must limit his application for feed to cattle on hand at the time the emergency is declared. There is no limitation whatsoever.

Mr. CASE of South Dakota. I examined the application blanks last year, when we had similar legislation before us. I discussed this problem with the people in the Accounting Office. They told me that the application blank that they used last year does not permit one to go out and buy cattle. An applicant must testify that he owns the cattle. The farmer must get the feed within a certain period of time, and the application blank does not contemplate at all that one could go out and buy cattle for this purpose. The application blank that the farmer must sign does not permit him to go out and buy cattle in order to speculate on the purchase of feed at a discount price.

Mr. HRUSKA. The statement of the Senator is not at variance with what the Senator from Nebraska has said. All I have stated is that, within the language of the statute, such action can be taken. If there is a provision in the application or the regulations on that subject, that is another question.

I believe the Senator from Georgia has put his finger on the problem. There is enough legislative history being made here that the Secretary of Agriculture could incorporate some of the sense of this debate in his application so there will be a limitation in the application. Then the applicant could be failed out in the original instance, but he would be prevented from repeating the investment.

Mr. TALMADGE. When we enact legislation we must assume that it will be administered by an official of the Government who is not a fool or a knave.

Mr. HRUSKA. That is a great assumption at times, but I am sure we are in accord.

Mr. TALMADGE. I do not see how we can presume that the present Secretary of Agriculture will act either a fool or a knave. He knows that the purpose of the proposed legislation is to alleviate drought conditions in a disaster area.

I call to the attention of the Senator line 2, page 3, which provides, "For assistance in the preservation and maintenance of livestock in any area of the United States where, because of flood, drought, severe hurricane, earthquake."

The Senator knows, coming from the great State of Nebraska, that the preservation and maintenance of livestock does not mean feeding them for sale. It means keeping them from starving. That is what the bill is designed to do.

Mr. WILLIAMS of Delaware. I agree with the objectives of what is being said here. But I point out that if we pass the bill, as it is presently drafted, section 3 would be permanent legislation. Section 3 deals not only with the drought in the area which we are discussing here today but with all future situations. If I am in error in this statement I hope I will be corrected. Is there any expiration date on section 3?

Mr. TALMADGE. There is no expiration date on section 3. There is an expiration date on the other two portions.

Mr. WILLIAMS of Delaware. That is the point.

Mr. TALMADGE. Section 3 is permanent legislation.

Mr. WILLIAMS of Delaware. Section 3 is permanent legislation. Section 3 as permanent legislation is a liberalization of the existing law as provided in section 407, because, under the existing law in section 407, Congress defined what would be a disaster area. Now that definition has been expanded wherein we would confer upon the Secretary of the Agriculture the power to determine that an emergency exists in some area which warrants such assistance.

As I understand the bill, the Secretary of Agriculture, Mr. Freeman, or whoever may succeed him in the years to come, can under section 3 determine that an emergency exists in any area of the country and start delivering cheaper feed out at 75 percent of its cost. If I am in error on that point, I should like to be corrected.

Mr. CASE of South Dakota. Mr. President, does the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CASE of South Dakota. Before an area is declared by the President to be a disaster area, the Governor of the State must make a request and if the Senator will read——

Mr. WILLIAMS of Delaware. If the Senator will yield for a moment, I should like to ask him if he can think of a situation in which the Governor of a State, when the State would not have to pay anything or contribute to the cost, would refuse to make such a request?

Mr. CASE of South Dakota. Yes; I have seen a reluctance on the part of Governors to have their States declared a disaster area.

Mr. WILLIAMS of Delaware. I have, too, in cases where it would cost them something.

Mr. TALMADGE. They are not anxious to have such an appellation ascribed to any of the counties in their States.

Mr. WILLIAMS of Delaware. We have not had section 3 heretofore.

Mr. TALMADGE. The Secretary's hands are not free. The President must make a finding of disaster before the Secretary can act. The provision would cover only an area of the United States declared by the President to be an acute distressed or major disaster area in need of assistance. The Secretary of Agriculture would not have a free hand.

Mr. WILLIAMS of Delaware. I will continue to read from section 3:

> or other catastrophe in such area, the Secretary determines that an emergency exists which warrants such assistance.

The proposed legislation states that the President can take the action, and if he does not do so, as I see it, under section 3, the Secretary could. If we do not want the Secretary to take such action then let us strike that language out and return it to the original provisions of the law, under which the President alone would take the action.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BURDICK. I believe that the legislative history is quite clear on this point, but to make it crystal clear, I would suggest that at the end of section 3, section 407, after the word "them," to insert a comma and to add,

> *Provided*, however, this section shall not apply to commercial feeding.

Would such language take care of the objection of the Senator from Delaware?

Mr. WILLIAMS of Delaware. What definition would the Senator from North Dakota give to the words "commercial feeding"?

Mr. TALMADGE. We cannot make it descriptive, because it would be impossible to define a commercial feeder. The provision reads:

> Shall not be available to cattle purchased in the disaster area subsequent to a declaration of a disaster.

It would prevent a man from going out and buying up cattle in order to get the available feed. I do not think the language of the act makes it crystal clear that there can be no speculation on other farmers' hardship.

Mr. WILLIAMS of Delaware. No, but it would be attractive on the eve of a declaration of the area as a disaster area to buy cheaper cattle and to feed them out. It has been suggested that this is an effort to preserve the basic foundation herd. Could we not just put that language in the bill?

Mr. CASE of South Dakota. What would be considered a foundation herd?

Mr. MANSFIELD. Let us hear what the Senator suggests by way of language.

Mr. WILLIAMS of Delaware. On line 3, page 3, I suggest, immediately before the word "livestock" the insertion of "foundation herd."

Mr. HUMPHREY. What would be the interpretation of a foundation herd?

Mr. CASE of South Dakota. That would be stock raised by the owner.

Mr. HUMPHREY. One could have a pasture full of steers, which would not be related to the foundation herd.

Mr. WILLIAMS of Delaware. The Senator is correct. That is the trouble. There could be a pasture full of steers, and in the majority of situations like that the owners would be buying feed anyway, even in the midst of plenty. Does the Senator intend to allow those who are in that area to feed the steers at 25 percent less in cost than the man on the other side of the county line which was not a distressed area?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HUMPHREY. One of the underlying reasons for the introduction of the bill is to permit what we are talking about. There are farmers in the Great Plains States who are preserving their foundation herds at great expense to themselves and at great sacrifice, having sold off much of the cattle that they had bought possibly on credit, and selling them at market conditions that are not conducive to a fair return. If we are not to provide emergency relief for the people in those States who are suffering through no fault of their own, there is no need to provide anything. If we continue to talk long enough about this situation, there will be no need to worry about it, because there will be no cattle left.

Mr. WILLIAMS of Delaware. The bill could have been brought up last week. We were here last week, and we did no business for 3 days. We had a vacation, although we had been called back by the leadership because we were told that we would transact business.

Mr. HUMPHREY. It takes time to process a bill.

Mr. WILLIAMS of Delaware. I was here. Some of the Senators who are speaking today were not present. I do not believe I should be criticized and told that I am holding up the bill merely because I am trying to prevent it from being abused.

Mr. HUMPHREY. The Senator from Minnesota introduced the bill. The committee processed the bill. The bill was passed in the Senate. The only Senator who objected to it was the Senator from Delaware. He has the responsibility.

Mr. WILLIAMS of Delaware. All I asked was for an opportunity to read the bill. I have a right to read the bill. Perhaps if the Senator from Minnesota had not been out of the country we could have considered it sooner. I am not being unreasonable in asking for an opportunity to read a bill which was passed by the Senate even before it was printed and put on the calendar.

Mr. HUMPHREY. The Senator is entitled to do that.

Mr. WILLIAMS of Delaware. The Senator should not say that I am unreasonably delaying the bill. I have tried to be cooperative. I just want to make sure that it is drafted in language which will prevent it from being abused. I am willing to have it amended to provide for foundation herds.

Mr. TALMADGE. Would the Senator agree to providing for foundation herds and steers at present on hand?

Mr. WILLIAMS of Delaware. No.

Mr. TALMADGE. Why not?

Mr. WILLIAMS of Delaware. If we start subsidizing the feeding of steers in the feedlots then the program is in trouble. Most of the steers in feedlots will be fed on purchased feed anyway.

Mr. TALMADGE. If the herd is already in the feedlot, it is not necessary to have pasture.

Mr. WILLIAMS of Delaware. That is correct.

Mr. TALMADGE. Then it is already a commercial herd, and I do not believe it would be eligible under the terms of the bill.

Mr. WILLIAMS of Delaware. It should not be. Then why does the Senator object to having it specifically excluded?

Mr. HUMPHREY. Why does not the Senator from Delaware accept the language suggested by the Senator from North Dakota, to exclude commercial feed, and indicate that that is what we are talking about—namely, the foundation herd and steers in pasture that were acquired prior to the area being in a disaster condition?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MANSFIELD. The proposal of the Senator from Minnesota and his colleagues, the Senators from South Dakota and North Dakota and Montana and other States, comprised sections 1 and 2 at the time of the introduction. If I am in error, I hope I will be corrected, but I believe section 3 was incorporated afterward as a result of a conversation we had with people in Montana who were up against very stiff prices in the purchase of feed grain to take care of their cattle.

Mr. METCALF. The incorporation of section 3 came about as a result of conversations we had with the ACP chairmen of Montana, who had had similar conversations with chairmen in the Dakotas and other drought areas. It was pointed out that as a result of going into a new marketing year the price of such feed grains as barley had gone up 25 percent, while the price of beef, because of selling in a disaster market, had fallen by about the same amount.

So the majority leader and I asked that the amendment be incorporated into the bill to take care of the unusual circumstances occasioned by the application of a new marketing year to the feedgrain bill, and to provide that the Federal Government could sell, at the price during the last marketing year, the barley that was in storage, which had been purchased for a lesser amount and was in warehouses and storage bins.

That is the history of why we asked for section 3.

Mr. MANSFIELD. Of course, that should not preclude the Senator from Delaware exercising his rights. The bill was brought out in a hurry. He is perfectly within the rights in what he is doing.

Mr. WILLIAMS of Delaware. So far as sections 1 and 2 are concerned, I am not raising any question about them. I am not quarreling with what I believe is sought to be achieved in section 3. I merely wish to be sure that we do not open the situation wide. I am wondering if in section 3 perhaps we can redefine the word "livestock" in some way to provide for a termination date with respect to section 3. We are writing permanent legislation here. I wonder why it was suggested that we give authority to the Secretary of Agriculture to determine when an emergency may exist. Why not leave the determination as provided under existing law?

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MUNDT. It seems to me that we might be able to adjudicate the issue by a very simple device. What we are trying to do is to meet an emergency which now exists in a certain area of the country. The Senator from Delaware made the point that there is perhaps some ambiguity in section 3. By a very careful study we might be able to define what we are trying to do. I suggest that we put the whole bill on the same basis, of temporary legislation. Let section 3 expire on June 30, 1962, along with the rest of the bill. That would give the committee an opportunity to analyze it.

Mr. MANSFIELD. I believe that would be perfectly satisfactory, because the committee could consider the problem in the meantime. What we should provide for now is the emergency.

Mr. MUNDT. With this legislative history now being written, the Secretary of Agriculture will move cautiously, because we must come back on January 1 to seek a renewal of the legislation. So I suggest that we let it all expire in June 1962. If we start to amend definitions on the floor of the Senate, the result will be a worse bill than the one now before us.

Mr. CASE of South Dakota. Notwithstanding the fear that my colleague has just expressed, I venture to offer some language which I think would be practical and useful in connection with the word "livestock."

The junior Senator from South Dakota does not hesitate to say that he is in the livestock business. However, I shall not take advantage of the proposed legislation. I expect to buy on the open market whatever feed I have to buy. So I venture to make a suggestion which occurs to me, notwithstanding the fact that I am in the business of producing feeder cattle today. After the word "livestock," I propose to insert these words:

Produced by the owner or owned by him at the time the area was declared to be in distress.

This would prevent speculation. It would provide a definition for a foundation herd, without going into that question. A man who owns cattle at a time an area is declared to be in distress, either cattle which he has bought or cattle which have been raised by him, obviously did not get the cattle with the idea of encountering a distress period. The cattle must be owned by him or have been produced by him at the time the area was declared to be in distress.

Mr. WILLIAMS of Delaware. The suggestions made by both Senators from South Dakota will go far toward solving the problem. I wonder if we cannot go one step further. Is it really necessary to grant the Secretary the power to determine what is an emergency area rather than have it determined by the President after the Governors have made recommendations?

Mr. HRUSKA. After reading the bill which was passed, and appears on page 5 of the report, and after referring to Public Law 875 of the 81st Congress, which I have before me, I am confident that the requirement that the Governor shall certify an area as a distressed area and that the President shall then so declare it, is still inherent in the bill. Is there anything in the bill to the contrary?

Mr. TALMADGE. No.

Mr. WILLIAMS of Delaware. We can make it clear that this is our thinking concerning the proposal and that will take care of the situation.

Mr. CASE of South Dakota. What the Senator from Nebraska has said is true. If Senators will read the first part of the bill we have been talking about, they will find that it is first necessary for the President to have found an acute distress area and to have determined that a disaster exists. It is only in the areas in which the President has found distress to exist that the Secretary may then enter into the picture. This language does not empower the Secretary to go out and determine de novo that the area is in distress. He is limited in his designation of areas to those which the President has previously determined to be distressed areas.

Mr. YOUNG of North Dakota. Mr. President, has any thought been given to the last part of section 3, which reads, in part, "such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by them"?

I emphasize the phrase "without undue financial hardship."

Mr. WILLIAMS of Delaware. I appreciate the statement of the Senator from North Dakota. I know that that is what we have in mind. I think language which would, perhaps, carry out the intent can be developed in a few minutes. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, after consultation among Senators from the areas which are most vitally affected and the Senator from Delaware, I believe agreement has been reached upon language which will accomplish the objective of the proposed legislation, while at the same time alleviating the fears of the Senator from Delaware and others that there might be some abuses under the program. If the Senator from Delaware is prepared to submit his amendment, I think agreement can be reached.

Mr. WILLIAMS of Delaware. On page 3, line 6, I propose to strike the word "Secretary" and insert in lieu thereof "the President, pursuant to Public Law 875, 81st Congress". The language would then read: "* * * the President, pursuant to Public Law 875, 81st Congress, determines that an emergency exists."

The PRESIDING OFFICER. Is there objection to the amendment of the Senator from Delaware?

Mr. TALMADGE. I accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WILLIAMS of Delaware. The purpose of the amendment is to restore the existing law, which provides that only the President may determine a distressed area.

Mr. TALMADGE. That is correct. The language would make certain that the responsibility is upon the President, not the Secretary of Agriculture, to determine what are disaster areas upon the request of the Governors of the affected States.

Mr. WILLIAMS of Delaware. That is correct.

Mr. President, at the end of section 3, after line 11 on page 3, I propose that the bill be amended to provide the same expiration date as is provided in the other sections of the bill, namely, June 30, 1962.

Mr. TALMADGE. I have no objection to that.

Mr. HRUSKA. Mr. President, is it the intention of the committee or of the Senator from Delaware to apply the time limitation to only the 75 percent of support price provision? There is a permanent statute in effect which we would not want to limit to the date of June 30, 1962.

Mr. MANSFIELD. No; but, as the Senator from South Dakota [Mr. MUNDT] has said, this proposal would give the Committee on Agriculture and Forestry time in which to reconsider the problem. In the meantime, provision would be made for the emergency.

I suggest the following language at the conclusion of the bill, page 3, line 11:

Provided, That the authority herein provided shall expire June 30, 1962.

Mr. WILLIAMS of Delaware. The members of the staff have just suggested language which would accomplish the purpose better. After line 11, it is proposed to add a new section, section 4, which would read as follows:

The amendments made by this Act shall be effective only until June 30, 1962.

That will take care of all changes which are being made in the bill, and the expiration date for all of them will be as of June 30, 1962.

Mr. TALMADGE. I have no objection to that amendment.

The PRESIDING OFFICER. If there be no objection, the amendment is agreed to. Are there further amendments?

Mr. WILLIAMS of Delaware. Mr. President, with these two amendments and with the understanding and the legislative record being made that the purpose of the bill is to help financially distressed farmers to preserve their foundation herds alone and not to subsidize commercial feeding in feeder lots, I have no further objection. I understand now that the bill offers no subsidy to those who would normally have been buying grain regardless of whether a drought had occurred or not. I think the purpose of the measure is now clear. The purpose of the measure is not to provide relief for farmers who would have had to purchase feed for their feeder cattle anyway, regardless of drought conditions.

With that legislative record established, I have no objection to the passage of the bill.

Mr. TALMADGE. Mr. President——

Mr. WILLIAMS of Delaware. I yield to the Senator from Georgia.

Mr. TALMADGE. First, let me say that I appreciate the cooperation of the Senator from Delaware. At the present time, I serve with him on the Finance Committee. Formerly, he served on the Committee on Agriculture and Forestry, on which I still have the honor to serve. He is a very able, conscientious, and valuable Senator.

What we are trying to do through this bill is to be almost as good to farmers in our own drought-disaster area as we are to foreign countries to which our Government is selling our surplus grain for foreign currencies which can-

not be exchanged for any other currency which our Government subsequently gives back.

This measure is designed simply to alleviate the distress and hardship which exist in drought-disaster areas where farmers do not have grass on which their cattle can graze. Those farmers are faced with the necessity of either liquidating their herds or seeing their cattle starve to death. This bill is to help them and no others.

I think the amendments the able Senator from Delaware has submitted have closed any loopholes through which any thieves could evade or abuse this law.

Mr. WILLIAMS of Delaware. I thank the Senator from Georgia.

Mr. CASE of South Dakota. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from South Dakota will be stated.

The CHIEF CLERK. On page 3, in line 3, after the word "livestock," it is proposed to insert "produced by the owner or owned by him at the time the area was declared to be in distress."

Mr. WILLIAMS of Delaware. Mr. President, I have examined the amendment. I wonder whether it will open up the bill to such an extent that the owner of 1,000 steers, who had them in the feedlots and owned them on that date, would be able to be benefited. Would not this amendment open the bill wider than anyone intends?

I think we now have the bill fairly well tied down; and I wish to be sure that we do not open it up again. But the words "produced by the owner or owned by him" might include a man who had 1,000 head of steers in the feedlots. He was not planning to feed them with grain produced on his farm, anyway, but was going to buy the feed. Would he not be able to qualify for a subsidy under this amendment?

Mr. CASE of South Dakota. My personal knowledge of the disaster-stricken counties is that in them there are practically no cattle feeders of the sort the Senator has mentioned—and certainly none with a thousand steers. Moreover, under the supposititious case the Senator has suggested, such a feeder would not be able to show financial distress or hardship. But the bill requires that he show financial hardship.

Moreover, no one in any of these counties—and it must be remembered that these distress-stricken areas are generally designated by counties or by certain portions of counties—has gone into the business of getting a thousand steers in one of these distress-stricken areas, in anticipation of encountering a drought. If he is in one of these disaster-stricken counties, it seems to me he should be able to feed any stock he had at the time when the disaster developed, with the feed provided under such a relief measure.

Mr. TALMADGE. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. TALMADGE. I think the legislative record has been made abundantly clear; namely, that this legislation is for the purpose of assisting farmers who are operating herds on pastures that are destroyed by drought conditions. If such cattle happened to be steers the farmer owned prior to the passage of this act, I think they would come under the provisions of this measure.

From his experience in the cattle business, the Senator well knows that the feeders feed their cattle carbohydrates or some form of cottonseed or other feed cake which puts the best flesh on the animals. If animals are on feed, I do not think they would come under the provisions of this bill. If they are or have been in pasture, I think they would come under them. As heretofore stated in the debate, one in the business of feeding livestock would not come under the financial requirement, on page 3, in line 9—"are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by them."

If the owner is in the business of feeding cattle, he has some equity in the cattle. He can acquire credit through normal channels of trade and could not have to come to the Federal Government to obtain disaster relief.

So I see no possibility of the existence of any loopholes in that connection, with the result that, in the absence of this amendment, someone in the cattle-feeding business could obtain this Government subsidy. The bill was not introduced for that purpose; the committee did not report the bill for that purpose; the Senate is not considering the bill for that purpose; and the bill could be used for that purpose only if a combination of thieves got together for the purpose of distorting the intent of the law.

Mr. CASE of South Dakota. Then does the Senator from Georgia agree that the intent of the bill and of the amendments which have been adopted is to make it clear that the bill provides no relief for a speculator or feeder or for someone who purchases cattle with the intent of obtaining the benefit of the 75-percent provision?

Mr. TALMADGE. I certainly agree with the Senator from South Dakota; and I think that has been made abundantly clear throughout the legislative history which has been written by means of this debate.

Mr. WILLIAMS of Delaware. That is also my understanding.

Mr. CASE of South Dakota. It is also my understanding.

Mr. President, if the Senator in charge of the bill makes that interpretation, and if the Senator from Delaware, who raised this question, is satisfied, certainly I am satisfied, because I do not think there was any intent of that sort in the first place.

Mr. TALMADGE. Then, Mr. President, I certainly hope the bill will be passed, so that the feeding of these starving cattle can begin.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2197) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107(a)(3) of the Soil Bank Act, as amended, is further amended by adding at the end thereof the following: "The Secretary may, if he determines it necessary, permit the removal of hay from conservation reserve acreage adjacent to or nearby the disaster area for use in the disaster area, the value of such hay, as determined by the Secretary, being deducted from the annual payment applicable to such acreage. The authority of the Secretary to permit the removal of hay from conservation reserve acreage because of damage, hardship, or suffering caused by severe drought, flood, or other natural disaster shall expire on June 30, 1962. Any deduction made from conservation reserve payments because of any hay removal under this paragraph or because of grazing under section 107(a)(4), may, in the discretion of the Secretary, be reduced by an amount equal to any sums expended by the producer, but not to exceed one dollar per acre, for the purposes of grasshopper control operations on the acreage from which the hay is removed or which is grazed."

SEC. 2. Section 107(a)(4) of the Soil Bank Act is amended by adding at the end thereof the following: "Under the authority to permit grazing on conservation reserve acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, the Secretary may, if he determines it necessary, permit the grazing of conservation reserve acreage adjacent to or nearby the disaster area by livestock normally maintained in the disaster area, the value of such grazing to be deducted from the annual payment applicable to such acreage."

SEC. 3. Section 407 of the Agricultural Act of 1949, as amended, is hereby amended by deleting the period at the end of the fifth sentence and adding to such sentence the following: "and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of livestock in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such area, the President, pursuant to Public Law 875, Eighty-first Congress, determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by them."

SEC. 4. The amendments made by this Act shall be effective only until June 30, 1962.

Mr. CASE of South Dakota. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. TALMADGE. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to

lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

PROCUREMENT POLICIES OF DEFENSE DEPARTMENT

Mr. WILLIAMS of Delaware. Mr. President, criticism of the needless expenditures of millions of the taxpayers' dollars through the inexcusable waste and mismanagement by the loose procurement policies of the Defense Department has become an almost daily occurrence. The danger lies not altogether in the specific cases of waste which have been mentioned, but rather in the callous disregard by the procurement officers of the Defense Department of their responsibility to end this waste.

When the Department of Defense appropriation requests are before the Congress, Members have been very reluctant to cut these appropriations, because we want to be sure that adequate funds are provided to meet the security requirements of our country. Perhaps this desire has resulted in our becoming just a little careless in demanding greater efficiency. While we do want to be sure to provide every dollar that is needed to safeguard our defense, nevertheless, the time has come when Congress must put a tighter clamp on the Nation's purse strings, and this means on the loose spending habits of the military, in particular.

Taking away from the Defense Department some of its requested funds, and then demanding that the remaining funds be spent more efficiently, may be the answer. Perhaps the request that some of the officials responsible turn in their resignations may be in order.

As one Member of the Senate, I am getting very impatient at the shopworn excuse which is offered by the Defense Department each time the Comptroller General calls to our attention specific examples of indefensible waste and mismanagement, when all they say is, "We will correct this situation and do better the next time."

This excuse has been repeated over and over for the past several years, and I think it is about time we insist that the "next time" be "now."

Today again I call the attention of the Senate to two additional reports submitted by the Comptroller General, both dated June 30, 1961, and both dealing with situations where millions of dollars have been unnecessarily wasted by the Defense Department. Both reports contain the shopworn promise of the Defense Department to do better the next time.

I shall place in the RECORD a detailed summary of these two reports, but first I shall quote from the Comptroller General's Report No. B-122261, dated June 30, 1961:

> Our review disclosed that millions of dollars' worth of replacement equipment was needlessly purchased in fiscal year 1960 because the Air Force does not have an effective means of knowing the quantity and location of the equipment it already owns. On the basis of our review, we estimated that over $6.7 million worth of replacement equipment purchased in fiscal year 1960 could have been avoided, and requirements for another $20.8 million, on which procurement was deferred principally for lack of funds, could have been eliminated had the Air Force maintained effective control over the equipment procured and received in the supply system.

In this report the Comptroller General cited a specific example wherein 852 generator sets valued at approximately $14 million were not even accounted for in the reported inventory data.

On this one sample audit which was made by the Comptroller General it was shown that about $164 million worth of items had been procured, but were not properly included in inventory reports. Had these inventories been properly recorded, the Comptroller General said, the Defense Department requirements in that one area "for fiscal year 1960 could have been further reduced by $20.8 million."

There can be no possible excuse for this Department having over $164 million worth of inventory on hand without such inventory being properly carried on the books.

The second report is No. B-133372 also dated June 30, 1961, and, as I stated earlier we find the same criticism in this audit report.

I quote the Comptroller General's comments on this audit:

> We found that the military departments had purchased new items of production equipment costing over $700,000 without having considered suitable and available idle equipment assets on hand within the the Department of Defense. We found also that unnecessary administrative costs are being incurred because there are four independent organizations, and numerous supporting activities, performing the same or similar management functions. Combining these organizations and activities could be expected to effect significant reductions in present administrative costs which exceed $3 million annually.

Continuing, the Comptroller General said:

> Our review disclosed that the military departments expended $587,461 during 1959 and 1960 in 34 procurement actions for 45 new items of production equipment instead of using idle assets available within DOD.

Both of these reports are full of specific examples of the Defense Department buying equipment and parts when at the same time, had the inventories been properly recorded, the Department would have known that it had more than an adequate supply on hand.

Both of these reports are typical of the periodic criticisms which are called to our attention by the Comptroller General's office, wherein the Defense Department completely ignores any semblance of sound business practices in administering the Department.

This wasted money represents not only a loss to the American taxpayers, but also less defense for the United States.

The Comptroller General and his staff have been and are doing an excellent job of calling these situations to the attention of the Congress, but I suggest that in the future they include in their reports a more specific identification of the procurement officers who are in charge of the arsenals, wherein these loose practices are found. Then Congress can deal specifically with those responsible.

At this point I ask unanimous consent to have a summary of each of the two reports I have referred to incorporated in the RECORD as a part of my remarks.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., June 30, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Enclosed is our report on review of management within the Department of the Air Force of replacement equipment subject to the Air Force Unit Authorization List (UAL) reporting system. This review was made for the purpose of examining into the effectiveness and efficiency of Air Force management of such equipment.

Our review disclosed that millions of dollars' worth of replacement equipment was needlessly purchased in fiscal year 1960 because the Air Force does not have an effective means of knowing the quantity and location of the equipment it already owns. Our review was limited to about 1 percent of the items and 12 percent of the value of the $2.8 billion inventory reported. In this review we established that about $164 million worth of the items selected for examination had been previously procured but was neither included by using organizations in the inventory reports used in computing the requirements nor otherwise accounted for.

On the basis of our review, we estimated that over $6.7 million worth of replacement equipment purchased in fiscal year 1960 could have been avoided, and requirements for another $20.8 million, on which procurement was deferred principally for lack of funds, could have been eliminated had the Air Force maintained effective control over the equipment procured and received in the supply system. For example, in our selected review of family grouping 6115AA1W—generator set, we found that 852 sets, valued at approximately $14 million were not accounted for in reported inventory data. At organizations visited, our review disclosed that eight generator sets which should have been reported were not included in the UAL data used by the Sacramento Air Materiel Area (SMAMA) in the fiscal year 1960 computation. The computation made by SMAMA showed a buy requirement for fiscal year 1960 of 266 units. As no adjustment was made for the 852 unaccounted-for assets, and purchase of 101 units was deferred, procurement action was initiated for an additional 165 units at an estimated cost of $2.8 million. Had the Air Force maintained effective control over the units procured and received into the supply system, there would not have been 852 unaccounted-for units, and a sufficient number of such units should have been available for use so that procurement of the additional 165 units at an estimated cost of $2.8 million would have been unnecessary while requirements for another 101 units at an estimated cost of $1.7 million could have been eliminated.

Since our review was very limited, we are of the opinion that there are substantially more unaccounted-for equipment and substantially more unnecessary procurement than we estimated on the basis of our findings.

We brought our findings and conclusions to the attention of agency officials. In a letter dated January 23, 1961, the Assistant Secretary of the Air Force (Materiel) agreed, generally, that the products of the Air Force UAL system are incomplete and inaccurate and do not adequately support the Air Materiel Command in the computation of equipment procurement requirements. The Assistant Secretary informed us of a number of actions already taken and others proposed which in the opinion of the Air Force should materially alleviate the deficiencies in UAL reporting that now exist.

The success of the actions taken, as well as those planned, is largely prospective in nature and their effectiveness will depend upon the manner in which they are carried out. Accordingly, we are not prepared to say whether the actions taken and planned by the Air Force will successfully overcome the serious and widespread problems observed by us.

In subsequent reviews of Air Force supply management activities, we plan to make further inquiries into the Air Force's management of replacement equipment and the effectiveness of the proposed improvement program.

This report is also being sent to the President of the Senate. Copies are being sent to the President of the United States, the Secretary of Defense, and the Secretary of the Air Force.

Sincerely yours,

JOSEPH CAMPBELL.

HIGHLIGHTS

Millions of dollars worth of replacement equipment was needlessly purchased during fiscal year 1960 because the Air Force did not have an effective means of knowing the quantity and location of replacement equipment it already owned. Lack of this information also resulted in the failure to supply items of equipment required in that year to support Air Force organizations. Very limited tests by us have established conclusively that substantial quantities of equipment actually on hand at Air Force organizations at September 30, 1958, were omitted from inventory reports used to determine procurement requirements for fiscal year 1960. Our review was limited to about 1 percent of the 15,330 family grouping items and about 12 percent of the value of the inventory reported. This review disclosed that about $164 million worth of these items had been previously procured but were neither included by using organizations in the inventory reports used in computing requirements nor otherwise accounted for.

In order to determine whether significant amounts of the unreported and unaccounted-for $164 million worth of equipment were actually available, and whether the failure to report this equipment resulted in actual overprocurement, we visited 645 of the more than 6,700 reporting organizations. At these organizations we found that over $9 million worth of equipment on hand, of the items we were testing, had not been reported to inventory managers. Had these items at these organizations been considered, procurement would have been reduced by more than $1 million.

We estimated that, had the $164 million worth of unaccounted-for assets at these and other organizations been properly reported and considered in computing fiscal year 1960 requirements, purchases of over $6.7 million could have been avoided. In addition, we estimated that, if these unaccounted-for assets had been properly reported and considered, the requirements computed for fiscal year 1960 could have been further reduced by $20.8 million. These overstated requirements had not resulted in overprocurement principally due to a lack of funds.

Since our review covered only 12 percent of the $2.8 billion inventory of replacement equipment reported, we believe that there is substantially more unreported equipment than the $164 million disclosed in our review and that there is substantially more unnecessary procurement included in the $210 million authorized for fiscal year 1960 than the estimated $6.7 million of purchases that could have been avoided with respect to the items we tested. (See pp. 13 to 22.)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., June 30, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Enclosed is our report on review of management of idle production equipment within the Department of Defense.

Our limited review disclosed that inadequate management and coordination of idle production equipment activities among and between the military departments are resulting in significant additional costs to the Government and are adversely affecting the utilization of idle assets in lieu of new acquisitions. Unnecessary purchases are resulting from the failure of the military departments to use suitable idle equipment available within the Department of Defense; the use of different identification numbering systems for common-use items is interfering with the interservice utilization of idle assets; and there are costly duplication and overlap of idle production equipment management functions and organizations.

We found that the military departments had purchased new items of production equipment costing over $700,000 without having considered suitable and available idle equipment assets on hand within the Department of Defense. We found also that unnecessary administrative costs are being incurred because there are four independent organizations, and numerous supporting activities, performing the same or similar management functions. Combining these organizations and activities could be expected to effect significant reductions in present administrative costs which exceed $3 million annually.

The Department of Defense has taken certain measures to improve the management and utilization of available production equipment; however, we believe that the centralization of the functions and responsibilities presently being performed by many relatively independent Department of Defense organizations and activities would result in a more effective and economical management of idle production equipment. Accordingly, we proposed to the Secretary of Defense that present production equipment policies, procedures, organizations, and functions be reviewed and evaluated to determine the manner and means whereby centralization under his direction and control could be accomplished.

In view of the need for increasing the degree of redistribution and utilization of idle production equipment, as demonstrated by our review, we proposed also to the Secretary of Defense that immediate interim measures be taken to obtain maximum utilization of idle production equipment under existing conditions. We suggested, for example, adoption of one identification numbering system for all common-use equipment items, more timely screening and rescreening of idle equipment inventory records, and improved management and control procedures for the production equipment redistribution group, the organization presently responsible for establishing and maintaining Department of Defense-wide inventory records of idle machine tools.

Although the Assistant Secretary of Defense (Installations and Logistics), commenting on our findings in his letter of February 21, 1961, stated his belief that the instances of unnecessary procurement were within reasonable limits, he advised that a departmentwide study of the management of production equipment, including special consideration of single management, would be undertaken. He stated also that our suggestions for interim management improvements either had been or would be adopted.

This report is also being sent today to the President of the Senate. Copies are being sent to the President of the United States, the Secretary of Defense, and the Secretaries of the Army, Navy, and Air Force.

Sincerely yours,

JOSEPH CAMPBELL.

FINDINGS AND CONCLUSIONS

The present efforts to coordinate and integrate production equipment management separately conducted by each of the military services have not been fully effective. Our review disclosed that inadequate management and coordination of idle production equipment programs and activities among and between the military departments are resulting in significant additional costs to the Government and are adversely affecting the redistribution and utilization of idle assets in lieu of new acquisitions. While steps have been taken to effect improvements in this area, we found the existing organizations, operations, and procedures inadequate to provide maximum economy and efficiency in the management of production equipment.

FAILURE TO UTILIZE IDLE ASSETS

The individual military services failed in a number of instances to screen and use idle assets available within the other military services before acquiring new equipment. In the course of our review, we identified procurements costing over $700,000 which were made when identical or substitutable idle equipment was available. On the basis of advice of DOD technical personnel regarding the suitability of the available equipment, we consider the procurements to have been unnecessary. We found also that two procurements totaling $26,600 were planned by an Army installation without considering on a timely basis assets available within DOD. These planned procurements were canceled after we identified suitable idle assets held by another military service and available for redistribution.

Unnecessary procurements made when suitable assets were available

Our selective review of procurement actions by Army, Navy, and Air Force organizations, directly or through contractors, disclosed 42 instances in which equipment costing over $700,000 was procured when, according to the advice of DOD technical personnel, suitable idle machines were available within the Department of Defense. These cases are summarized in appendix I. The circumstances surrounding certain of these procurements are described below.

A review of an Army Corps of Engineers contract disclosed that the contractor had been authorized to procure for the account of the Government during the period 1956 to 1960 numerous items of industrial production equipment without first screening idle DOD assets. As a result, 111 items of equipment were purchased at a cost of

$1,712,000 without consideration being given to the possibility that suitable assets which were not in use might be available within DOD. The military procurement agency advised us that it had been unaware of its responsibility to arrange for utilization of available equipment in lieu of acquiring new items but that it would screen future requests for equipment against available assets. From our review of a selected number of these 111 items, we found that the Army approved the purchase of at least 18 new machines when equipment with identical or similar descriptions was available in idle status. DOD technical personnel reviewed these items and informed us that 10 machines may not have been suitable because of age, condition, or specifications for offering to the contractor. However, eight of these machines were considered adequate to meet the requirements and should have been used in lieu of new procurement costing $118,039. Some of these items are still available while others have been declared excess and thus subject to disposal as surplus. We noted that the contractor had on occasion used idle equipment in Government reserves when funds to purchase new equipment were not available; however, in other instances when funds were available, new equipment was procured without considering idle assets.

In addition to the 8 items above, our review disclosed that the military departments expended $587,461 during 1959 and 1960 in 34 procurement actions for 45 new items of production equipment instead of using idle assets available within DOD. In each of these instances, we found that (1) the departments had purchased, or approved the procurement of, the equipment although identical or substitutable items of idle equipment were available according to OSD or departmental inventory records, (2) the idle equipment was or would have been available prior to the dates the new procurement actions were approved, and (3) the idle equipment was suitable, in the opinion of qualified DOD and departmental technical personnel, for offering to procuring activities for their consideration prior to approving the new procurement.

The 34 instances of unnecessary procurement were identified in our review of 225 procurements of production equipment in 1959 and 1960. These procurements were selected for review in detail on the basis that they covered commonly used rather than specialized types of equipment and thus suggested a possibility that the requirements could have been met from existing inventories of idle equipment. We found that 92 of the 225 procurements appeared questionable and warranted further review inasmuch as identical or substitutable equipment was on hand within the DOD. However, we eliminated 58 of these 92 cases from further review because military technical personnel were doubtful of the adequacy of the possible substitutes or because the items of production equipment:

1. Would not have been available at least 60 days prior to the purchase of the new equipment or the approval of new procurement action.

2. Were manufactured prior to 1950 or were not condition-coded N–1 (new-excellent), N–2 (new-good), E–1 (used-reconditioned-excellent), E–2 (used-reconditioned-good), O–1 (used-usable without repairs-excellent), or O–2 (used-usable without repairs-good).

3. Had numbers and technical descriptions substantially different from the numbers and descriptions covering the new machines.

The 34 remaining cases, approximately 15 percent of those selected for review, were referred by us to the representatives at PERG and the appropriate Army, Navy, and Air Force personnel for technical review and evaluation. In their opinion, the idle assets available at or prior to procurement were either identical or substitutable to meet the requirements.

Typical examples of these 34 cases, which are included in appendix I with the 8 cases previously discussed, are the following:

1. One vertical turret lathe, $83,525: This procurement was authorized on or about September 22, 1959, by the Army's Chicago Ordnance District. However, for varying periods of time prior to July 22, 1959, three vertical turret lathes owned by the Air Force and two owned by the Navy were available for redistribution from idle assets. The Air Force and Navy items were still available as of July 15 and 28, 1960, respectively.

2. Two shapers, $19,072: A contract was awarded on March 16, 1959, for the procurement of nine shapers, at a unit cost of $9,535.80, to meet a requirement of the Army's Rossford Ordnance Depot. The procurement of two of the shapers, which cost $19,072, was unnecessary, inasmuch as a shaper owned by the Army and one owned by the Navy were available for redistribution from idle assets for varying periods of time long before January 16, 1959. These items were still available as of August 22, 1960.

3. One turret drill, $54,965: This procurement was authorized by Navy's Bureau of Ships on September 23, 1959. Invitations for bids were issued on December 16, 1959, and a purchase contract was awarded on January 25, 1960, for $54,965.20. However, on November 25, 1959, 60 days prior to the award of the contract, a turret drill owned by the Air Force became available for redistribution from idle assets. This item was still available as of July 15, 1960.

4. One screw machine, $41,006: This procurement was authorized by the Air Force on July 1, 1959. However, in April and May of 1959 two screw machines owned by the Navy became available for redistribution. These idle machines were still available on August 31, 1960. Air Force and OSD records indicate that this requirement for a new screw machine was not screened at either activity.

5. One grinding machine, $18,470: This procurement was authorized by the Air Force after a screening of records of idle inventories failed to disclose suitable equipment to meet requirements. Records of both the Air Force and OSD had been screened in May 1959. However, prior to May 1959, there was one grinding machine owned by the Navy available for redistribution. The Navy item was still available as of June 12, 1960, and was apparently overlooked when inventories were screened.

The comments of the Assistant Secretary of Defense (Installations and Logistics) included statements of the three military services on each of the 42 cases. Our analysis of the statements indicates that in 20 of the cases there had been a failure to screen and that in 14 other cases the screening had been ineffective and had failed to disclose the availability of suitable idle equipment. In the remaining eight cases, procurement was stated to have been necessary because the available idle equipment would not have met specifications. As previously indicated, these eight cases were among those referred by us, during the course of our review, to appropriate personnel in PERG and the three military services for technical review and evaluation. In their opinion, the idle assets available at or prior to procurement were either identical or substitutable to meet the requirements. Furthermore, our review disclosed no evidence in these eight cases that the requirements had been screened prior to procurement.

EXECUTIVE SESSION

Mr. KUCHEL. Mr. President, I move that the Senate proceed to the consideration of executive business for the purpose of considering an executive nomination.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider executive business.

NOMINATION OF EDWARD STEIDLE TO BE A MEMBER OF THE FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Mr. KUCHEL. Mr. President, Mr. Steidle was originally nominated by President Eisenhower in 1954. The minority leadership has conferred with the two distinguished Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT] on the matter, and under those circumstances, I ask the Senate to proceed to the consideration of Mr. Steidle's nomination.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of Edward Steidle, of Pennsylvania, to be a member of the Federal Coal Mine Safety Board of Review for the term expiring July 15, 1964.

Mr. KUCHEL. Mr. President, in connection with the nomination, I ask unanimous consent that a biographical sketch of Mr. Steidle, which I have in my hand, appear at this point in the RECORD.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF EDWARD STEIDLE

Edward Steidle, dean emeritus, College of Mineral Industries, Pennsylvania State University, was born at Williamsport, Pa., June 23, 1887. He received a bachelor of science degree in 1911, and an engineer of mines degree in 1914 from Pennsylvania State University, and a doctor of science degree from Alfred University in 1943.

He worked as a miner and mine sampler in a high-grade silver mine at Cobalt, Canada, during the summers of 1908, 1909, 1910, and worked as a miner and millman in a low-grade gold mine at Mogollon, N. Mex., for 1 year following graduation.

Dean Steidle then joined the staff of the newly created U.S. Bureau of Mines and helped to pioneer the mine health and safety movement in this country. He was in charge of mine rescue cars in various districts, and of the Bureau's exhibits, including "The Mine" at the Panama Pacific International Exhibitions at San Francisco, and of the Federal "Safety First Train" in cooperation with the Baltimore & Ohio Railroad.

He is the author of the Bureau's miners circular 19, "Dangerous and Safe Practices in Bituminous Coal Mining," and of circular 23, "Causes and Prevention of Fires and Explosions in Bituminous Coal Mining." These circulars were the first organized visual aids used in promoting mine safety, and he later produced similar visual aids in motion pictures made underground. He aided in a number of initial field studies made by the Bureau. These included studies of silicosis, which led to wet drilling in hard-rock mining; of lead poisoning and hookworm dis-

eases; and of the body effect of high temperature-high humidity working conditions, which resulted in the use of salt tablets.

From November 1917 to May 1919, the dean served with the Armed Forces, World War I, as first lieutenant, Company A, 30th Engineers, attached to Special Brigade, Royal Engineers, B.E.F. He was then commissioned captain, Company D, Second Battalion, and finally commanding officer, First Battalion, First Gas Regiment, attached to First Army, A.E.F., twice wounded in action, and awarded the Victory Medal with six battle clasps, the Pershing Citation, and Purple Heart with oak leaf cluster.

Upon leaving the service he joined the staff of Carnegie Institute of Technology as associate professor of mining engineering; supervisor, research fellowships in mining, fuel technology, and metallurgy; and secretary, mining and metallurgical advisory boards. All of these activities were carried on in cooperation with the Pittsburgh Experiment Station, U.S. Bureau of Mines, and the mining, and iron and steel industries of western Pennsylvania. He revised the curriculum in mining engineering and planned and installed mining and mineral preparation laboratories. The research fellowships resulted in 76 bulletins which are the first bulletins covering organized research published by Carnegie Institute of Technology. He took a leading role in the practical application of rock dusting of bituminous mines to prevent and limit coal dust explosions, and designed the dust-feeding-aerating mechanism used in the first commercial, standard rock-dusting machine during this period.

He was appointed dean, School of Mines and Metallurgy, Pennsylvania State University in 1928, and reorganized the school into the present unified, decentralized College of Mineral Industries, to include all interrelated, interdependent branches of earth sciences, mineral engineering, and mineral technology, together with an extension division, experiment station, mineral constitution laboratory, instrument shop, mineral industries library, geology camp, mineral museum, and art gallery. When the dean retired in 1953, the College of Mineral Industries had a modern physical plant, together with a comprehensive program of service to meet the future needs of the Commonwealth.

Related activities of the dean include consulting engineer, Mine Safety Appliances Co.; special assistant, U.S. Coal Commission (while at Carnegie Institute of Technology); consulting engineer, U.S. Bureau of Mines; chairman, American Institute of Mining and Metallurgical Engineers' Committee on Bituminous Coal Research Planning; judge, Coal Age "Coal for Victory" awards; member of subcommittee of National Research Council, Washington, D.C.; and of Science Advisory Committee to the Century of Progress, Chicago. He was a member of the Greater Pennsylvania Council, under Governor Pinchot; and of the executive committee, Pennsylvania Economic Development Council, Pennsylvania Chamber of Commerce, Harrisburg.

Upon request of officials of the U.S. Bureau of Mines, and U.S. Geological Survey, the dean organized a U.S. section of the Pan American Institute of Mining Engineering and Geology in 1942, and served as Chairman until 1948. He was an official delegate, Commonwealth of Pennsylvania, under Governor James, to the organization meeting of Pan American Congress of Mining Engineering and Geology, Chile, 1942; and an official delegate, U.S. Department of State, to the Second Congress, Brazil, 1946. In 1944, the Inter-American Development Commission, Washington, sponsored a trip by the dean to the Latin American countries in the interest of the Congress, the war effort, and of mineral industries education. He was a delegate of said U.S. section to a third meeting of the Congress held in conjunction with the first Inter-American Conference on Mineral Resources, Mexico, 1951; and a delegate of American Institute of Mining and Metallurgical Engineers to the United Nations Scientific Conference on Conservation and Utilization of Resources, New York City, 1949.

More than 100 papers by the dean are in print on mine safety, mineral education, and mineral economics, including two texts, "Mineral Industries Education" and "Mineral Forecast 2000 A.D.," published by the Pennsylvania State University in 1950 and 1952, respectively. He has visited practically every important mineral producing country, excepting Russia and Red China. He is a member of American Institute of Mining and Metallurgical Engineers and four additional mineral societies, is a charter member and past president of the National Mine Rescue Association, and of the Mine Rescue Veterans of the Pittsburgh District, and is a registered professional engineer in Pennsylvania. He is a member of Phi Delta Theta and Triangle, social fraternities, and of Tau Beta Pi, and four additional scholastic fraternities, of Centre Hills Country Club, and of the Cosmos Club, Washington, D.C., and is listed in "Who's Who in America," "American Men of Science," and three additional listings similar in nature.

Dean Steidle has served as Chairman of the Federal Coal Mine Safety Board of Review since 1953.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Mr. Edward Steidle to be a member of the Federal Coal Mine Safety Board of Review?

Without objection, the nomination is confirmed.

Mr. KUCHEL. Mr. President, I ask that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KUCHEL. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

HORSEMEAT

Mr. WILLIAMS of New Jersey. Mr. President, as a horse owner myself, I was somewhat disconcerted when Premier Khrushchev urged his countrymen to eat greater quantities of horsemeat with a greater degree of enthusiasm than they had hitherto been able to muster.

It seems unfair to the horses, and the humans might have a few reservations, too.

But, thanks to the personal experience of a New Jersey newspaper reporter, I now see that perhaps things are not as bad as they might seem—at least, for the humans.

George Kentera, chief of the Newark Evening News bureau here in Washington, has written an article in which he indicates that a horsemeat ball can be a very welcome main course, particularly when one happens to be in a prison camp.

There is no evidence as yet as to the sentiments of the horses, but there is little likelihood that there will be. So I ask unanimous consent, for the instruction of our citizens and those of the U.S.S.R. that an article entitled "Horsemeat—For Them That Likes It," from the July 11 issue of the News, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HORSEMEAT—FOR THEM THAT LIKES IT—AS FOR ONE VETERAN OF GERMAN PRISON FARE, PLEASE COUNT HIM OUT

(By George Kentera)

WASHINGTON.—In the interest of international understanding and the betterment of Soviet-American relations, let me be recorded in limited agreement with Premier Khrushchev on a dietetic matter.

I, too, have eaten horsemeat, and I, too, liked it—at the time.

The time was the late winter of 1945 when I was a nontouring and thoroughly unwilling guest of Nazi Germany at Stalag 3-A near Luckenwalde. I was quartered at the stalag hospital as the result of some accurate antiaircraft fire and the subsequent crash of my P-47, which bore out the truth of an airman's adage, "It's not the fall that gets you, it's that sudden stop."

The adage represents immutable law. I was pleased to hear it quoted recently by this country's first astronaut, Cmdr. Alan B. Shepard, Jr. In a rapidly changing world, it is comforting to reflect that some truths are eternal.

In those days, U.S. B-17's were pounding Berlin by day and British bombers were doing it by night. Inevitably, some of the attackers were shot down, and one afternoon some B-17 survivors were brought to our hospital.

They were quickly beseiged with questions, most of them about how things were in the United States of America. One questioner wanted to know what the big song hits were in the States, and there was wonder, concern and some disbelief when one of the newcomers disclosed that a tune known as "One Meatball" was pretty big back home.

"How does it go?" asked one "kriegle," or war prisoner, and the newcomer obligingly broke into a faithful rendition of an alleged tune about how you got no bread with one meatball. A shaggy, underfed and vermin-ridden prisoner of 6 months expressed the prevailing opinion: "Hell. I don't think I want to be rescued."

The German diet for prisoners of war wasn't exactly sumptuous in those days, largely because there wasn't much food around even for the Germans themselves.

Ordinarily, the song "One Meatball" would have set the prisoners to dreaming of and drooling about meatballs they had enjoyed in the past. But the fact is that we had only recently enjoyed meatballs—of horse flesh.

On three occasions in my experience at Stalag 3-A, our jailers provided us with one horsemeat ball and gravy. (We got bread, too, one hunk of the heavy, dark, and sour German bread.)

Since I had not tasted meat for several months, I found the first meatball delicious. So did the other prisoners. We asked our German guard, whom we called Jack, the reason for this dietary largesse.

IN RECIPROCATION

His reply was not at all unexpected in the light of the official German view that allied bombs hit nothing but hospitals, schools, churches, and open pastureland. Jack and a B-17 salvo had brought death in the afternoon to a sizable number of pure Aryan horses and that the meatballs were our reward for such marksmanship.

This bothered our undersatisfied appetites not a whit. Some of us, in fact, began to feel we would last longer—and the war would end no later—if the U.S. Air Force forgot about bridges and heavy industry and, instead, concentrated on horses.

Tactical considerations apparently ruled otherwise. We received a meatball on only two other occasions. The meat was redder than beef, it was stringier than other meats and somewhat lacking in flavor, although the latter may have been the cook's fault. Otherwise, the horsemeat tasted similar to hamburger and we were happy to get it.

Time dims most things, including taste, but I am not sure I would go along with Mr. Khrushchev's recent words about the delights in store for his people if and when they turned to horsemeat for calories and culinary contentment.

"That is why we have to develop production of this meat," the Premier said after a eulogy of its cheapness, its nourishing qualities, its fat content.

"We have many people who are accustomed to using this meat and we have some people who do not like it.

"But those who do not like this meat now will become accustomed to it because, once they have tasted it, you will not be able to drag them by the ears from this meat."

In 1945, I must confess, I would have eaten horsemeat until it came out of those ears referred to by Mr. Khrushchev. But, in 1961, horsemeat as a main course has little attraction for me.

It all reminds me of my mother-in-law out in Ohio whose dog, which usually ate table scraps, refused to consider even a mouthful of a high-priced dogfood containing liberal quantities of horsemeat. My mother-in-law is a practical woman. To ascertain the reason behind her pet's reluctance, she tried a spoonful of the dogfood.

"Humph," she said after this experiment. "I wouldn't eat the darned stuff myself."

INTEGRATE NOW—NEGOTIATE LATER

Mr. JAVITS. Mr. President, earlier today I addressed the Senate in respect to the present so-called Berlin crisis, making the point that negotiations with the Soviet Union did not seem to be fruitful until such time as the Communists themselves decided that they meant to negotiate seriously, as they did on Berlin after the airlift, or on Trieste, the Austrian Peace Treaty, or the Korean truce; and I suggested that the free world's main effort should be toward the opportunity to strengthen our united effort through integrating—economically, politically, militarily, and collectively.

Subsequent to my remarks, I saw from the news ticker that our distinguished colleague, the Senator from Arizona [Mr. GOLDWATER], made a speech in which he specifically referred to the idea of our resuming nuclear testing—I assume on the ground—as a way of demonstrating that we do not intend to allow the Communists to take their good time to negotiate about what the world should or should not do in order to avoid war.

In light of those remarks, and in light of the views expressed by the Senator from Arizona [Mr. GOLDWATER], I wish now to comment on the speech made by the chairman of the Committee on Foreign Relations about merely being "firm" or "tough." I think the people of our country and the people of the free world want progress and affirmative action in dealing with the dread danger we face today. Yesterday that danger was imminent in respect of Laos. Today it is in respect of Berlin. Although it seems to me the Berlin crisis is the major crisis we have faced in some years, tomorrow it may be somewhere else, as it was in Lebanon and the Congo, or as it was in Quemoy and Matsu some months ago.

Therefore, I would like to add to the store of this thinking, which is stimulating, provocative, and entirely in keeping with the Senate's great tradition of interest and responsibility in respect to our foreign policy.

I should like to underline and to emphasize the need for having not simply a "firm" or a "get tough" attitude; and certainly for not having the opposite, a weak or mawkish attitude, assuming that only negotiation is going to serve us in this dread situation. We, as American people and people of the free world, are certainly not in a mood to buy ourselves out of this dilemma in the struggle of freedom versus communism. The fact is that there is a path of greatest usefulness to the free world which could be and should be the great effort now. We should utilize the enormous opportunities we have for the purpose of better coordinating resources, human and material.

Let us contemplate those resources. Let us consider what courage, intelligence, capability, and sacrifice needs to be expended in the way of reaching our goal.

The general basis I have in mind relates to fruitful negotiations with the Communists, regardless of what we may be carrying on in the meantime—whether it be Mr. McCloy's conversations in Moscow, or a continuing of the sort of petering-out discussions on nuclear testing in Geneva. All those can go on, although, I submit, they ought now be transferred to the United Nations. That is the best channel I have in mind today.

The important point to emphasize is that we show the Russians, Mr. Khrushchev, the free world, the neutral powers, the uncommitted nations, that we really know how to put our own strength together so as to put ourselves in the best position in order to prevail by the sheer force of the effort which we make—or to prevail in terms of negotiations, because we shall have demonstrated to the Russians what all of us know they must have demonstrated to them constantly; that is, the success of and the capability of our system to prevail over theirs.

The test of that will be who wins the one and a quarter billion people in the uncommitted nations of the free world.

Mr. President, if we will address ourselves to that primarily, on the first order, with the highest of priority, we will give the people of the world the feeling that we are doing something, that we know what we are doing, that we are purposeful. To my mind that will be the most effective single means by which we can keep the peace and make war unprofitable to the Communist powers.

What can we do? First, we can expand two-way free world trade. Think of the struggle which we have to fight, which will be fought in this Chamber, concerning the problems of competition from imports, the need to expand our export trade, the agreements with the whole free world, especially with respect to the unusually low wage countries from which come imports which hurt our industries at home. I think that should not be permitted to distort the whole pattern of two-way free world trade, which is extremely important in the national interest. This is a stupendous effort in which we should engage, and should engage promptly.

Second are the international exchange activities. We passed a bill for international exchange and education. Think of what we can accomplish with an international exchange of culture, of science, as well as of education, of sports, and of production techniques.

Third, there is the enormous problem of the acceleration of the development of the lesser developed areas, with the Alliance for Progress for Latin America, in which Europe should participate as well as ourselves, and with the new concept of long-term foreign aid before us in the foreign aid program.

Fourth is the establishment of better means for conferring with each other—what is called, under the NATO tent, consultation.

Fifth is the need for mounting of a productivity drive in the United States, which is widely recognized by the administration and by everyone else.

Finally, we need to make the United Nations and our regional cooperative organizations—NATO, SEATO, CENTO and the Rio pact—far more effective than they are today.

Mr. President, these are historic opportunities in absolutely enormous areas of effort which can result most fruitfully in bringing the whole free world to our side in a most capable and effective way.

I say, let us set our effort to that as the main focus of the free world activities and the free world intentions as the best way, in my view, to register with the Russians the fact that it is not our children who will live under communism but their children who will live under freedom.

I think, Mr. President, if we reorient our thinking with that as the main effort we shall have a real opportunity, at a stage of the road which is ahead of where we are today, to negotiate with the Russians and to negotiate successfully and fruitfully; whereas right now I think the mood of the Russians is such, apparently, that negotiations are sterile in terms of making any progress.

Somehow or other we have to get off dead center. I do not think we can get off dead center the most effectively by being simply "tough" or simply by arm-

ing. I think we can get off dead center the most effectively by transferring as many of the present discussions as possible to the United Nations, where discussions can continue, and by making our main effort at integration of the free world in the ways in which I mentioned only a few minutes ago.

Mr. HRUSKA rose.

Mr. JAVITS. Mr. President, I was going to address myself to another subject. Does the Senator from Nebraska wish to have me yield?

Mr. HRUSKA. No.

BUSINESS MANAGEMENT AND THE NATION'S GOALS

Mr. JAVITS. Mr. President, somewhat along the same line I have been discussing, there is a new attitude in American business which we are now beginning to observe, which is directly conducive to the concepts I have described.

Whereas businessmen have been very much afraid of Government, businessmen at the highest level are now beginning to understand that in order to succeed in this struggle for survival, which is even more vital than the struggle for good business, as I am sure businessmen agree, there must be far more business and government cooperation than the businessmen heretofore have considered acceptable.

This attitude is symbolized in a speech entitled "Business Management and the Nation's Goals," delivered by M. J. Rathbone, president of the Standard Oil Co., of New Jersey, on the occasion of the 50th anniversary of the New Jersey State Chamber of Commerce, June 28, 1961.

Mr. President, I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

BUSINESS MANAGEMENT AND THE NATION'S GOALS

(Speech by M. J. Rathbone, president, Standard Oil Co. (New Jersey), on the occasion of the 50th anniversary of the New Jersey State Chamber of Commerce, Newark, N.J., June 26, 1961)

President Stewart, past presidents, guests of honor, and fellow members of the New Jersey State Chamber of Commerce, when Hugh O'Brien telephoned me last March about speaking tonight he seemed somewhat apprehensive about my reaction. I guess he did not realize how much I appreciated the honor of the invitation.

As a resident of New Jersey, as a director of this chamber, and as a businessman whose company bears the name of this State, I was happy indeed to accept. Of course, our association with New Jersey goes further than a corporate name. Our company from the day it was founded has directly or through affiliates been a part of the economy of New Jersey. Our oldest refinery was established here 84 years ago, and our research activities on an organized basis began in laboratories in the Bayway refinery in 1919. Over the years these activities grew to the point that a separate research organization became necessary and was established in Linden; and since that time, in 1959 as you know, we have opened a new research and engineering center at Florham Park.

I did not, however, come here tonight to talk about Jersey Standard, nor even the growth of business and industry in New Jersey and the part which the State chamber has played in that growth. Any speaker on such an occasion as this would be properly tempted to dwell upon the work of the chamber in creating the favorable climate in which Jersey industry has prospered. And, I may add, not only has the chamber done well in what I may call direct business activities but, just as important, have been its civic activities. No noneducational organization in the State, for example, has worked harder or more effectively for more or better schools, higher salaries for teachers, and higher education for more young people. I could mention, also, other important areas in which the efforts of the chamber have borne fruit; but as I have said, these themes are not my assignment tonight.

In inviting me to speak, Mr. O'Brien suggested that an appropriate theme would be the evolution of business policies in the last 50 years and the emerging forces of which business policies must increasingly take account. This is a large order and can hardly be covered in a few minutes. Yet I do have some things on my mind on this subject and I believe this is an appropriate occasion to express them.

The United States has come a long way since 1911 when our chamber was founded. The Nation had at that time just arrived on the international stage. We had gained world power. Now, after 50 years, we have found as a nation that power has brought great and sobering responsibilities. And so it has been with business. Business organizations reached sizable proportions 50 years ago. In the succeeding years their numbers and influence have increased, but so also the demands made on them. I believe these demands have in large measure been recognized and in large measure have been met.

Despite the impression you may get from occasional incidents the Elmo Roper opinion research organization tells us that the public today is generally favorable toward business. Heavy majorities—between 80 and 90 percent—believe in the private ownership of business. By a 2-to-1 ratio, the public feels big companies are on balance good for the country. They believe that big business is best able to develop more and better products, pay good wages to labor and provide the most security on the job.

I am only too aware of the political attacks made from time to time on this or that industry. I know, too, that business has been and will continue to be under the critical scrutiny of students and writers. But so also have labor, government, education, and every major institution of our society. Criticism there will always be, and the possession of power and influence will always attract it. Some of this criticism is justified; some of it is completely without foundation; most of it, however, has elements of both right and wrong. The important thing is to see it in perspective, in the light of the general attitude over an extended period of time.

The public admiration for business is not ideological. It has little to do with altruistic enthusiasm for something we call free enterprise. The admiration of the public is empirical—it is based on the concrete fruits of the American business system. In the past 20 years, for example, business has vastly improved the art of management. We have, with some interruptions, maintained a steady rate of growth. We have created what has been called a new industry of discovery bringing to the market at a rapidly increasing pace new products, new services and new techniques. We have improved the relationship between management and labor. We have been able to develop ways and means for planning ahead, taking into account to the fullest extent long-term considerations. We have improved productivity. We have created better lines of communication with stockholders, with the public, with the communities in which our plants are located, with organizations of all kinds, with political leaders, and Government officials.

This list, of course, is by no means complete. I'm sure you will all be able to add other items. The interesting thing is that the businessman's sensitivity to criticism sometimes causes him to forget this record. We forget that U.S. business is paid today the high compliment of imitation throughout the world. Western Europe is now giving us a strong dose of competition in our own markets. This didn't just happen. We ourselves encouraged it. Under the Marshall plan, for example, no less than 66 survey teams came to the United States from the United Kingdom alone in the 3 years between 1949 and 1952. And what was it they found? They reported back, of course, important technical developments. Most of those were, in fact, already known through the technical journals, even though they were not applied. But the secret was not techniques. Above all, what those productivity teams found was good management. This, they saw, was the dynamic element in American economic life; enlightened management organizing human and natural resources in progressive business enterprises.

We may think we are somewhat harried by the pressures of government, labor and public criticism, but these visitors from abroad shed no tears for us. On the contrary they envied us. In America, they reported, industrial management was not only a business or a career but was also recognized on all sides as the mainspring of high productivity, a function deserving of social respect and esteem, and the prime contributor to the Nation's strength and progress.

That was 10 years ago. Since then the role of business management which so impressed these visitors has continued to grow. If any one piece of evidence is needed that business is well regarded we have only to take note of the ambitions of our college youth. The majority want to join a business corporation. Some may say they have this desire because of money, and certainly they do not have to be ashamed of seeking to advance themselves materially. But also, I suggest, they see in the business organizations of the United States opportunities for vital, interesting work. We have been hearing a lot about new frontiers—and in some ways I like the term. But these are not to be found only in politics. American politics. American youth flock to interviews with recruiters for business corporations because they have seen the amazing new frontiers crossed by business in the past 20 years, and they recognize that the current research revolution promises even more exicting prospects for them in their own working lifetime.

Moreover the preparation for a business career has been given increasing attention in our colleges and universities. Business administration has become a major part of college curriculums. And no less than 50 colleges and universities have development programs for executives returning temporarily to the campus from business life. The trend is the same abroad. Business schools on the American model have been established in many countries. In a world in which rapid industrialization has become an almost universal goal, management is increasingly recognized as an essential economic resource; indeed, the lack of it is probably the greatest problem faced by developing nations.

I would not have you believe that the millenium has come and that business management can now rest secure in its achievement. Clearly the reverse is the case. The

world, as we are often told these days, is entering a period of change more rapid than ever before. Whatever the demands made on business management in the past, they are likely in the future to be both heavier and more important. Of one thing we can be certain, they will be different. In the next decade we will, I am sure, make further progress along the lines I mentioned earlier—in creating new products, in increasing productivity, in improving relations with employees, the community, and the general public, and in raising standards of living here and abroad. But what concerns me is not so much our ability to continue making progress in areas with which we are familiar. It is rather our ability to cope with the new forces that are pressing upon us on all sides.

It is clear, we live in no ordinary age. First, there is the scientific revolution. As Sir Charles Snow expresses it, "I believe the industrial society of electronics, atomic energy, automation is, in cardinal respects, different in kind from any that has gone before and will change the world much more." But there are other revolutions, too; over 30 colonial nations have become independent since 1945 and each is now determined to match its new political sovereignty and racial equality with rapid economic development. I have already referred to the new "industry of discovery." More scientists and engineers are being trained than ever before, more funds are being allocated to research, more organized teamwork is being applied to finding new products and processes, and, with speedier communications, these discoveries are more quickly disseminated worldwide. Considerable change once took considerable time, usually more than a single lifetime. Generally mankind could start from relatively fixed conditions and adapt over a few lifetimes to important changes. Not so today. The son no longer lives in his father's world.

What, then, does this mean for us? What will the speaker at your 100th anniversary be able to say of the evolution of business policies from 1961 to the year 2011? I hope he will be able to say that businessmen continued to meet the needs of the times.

What, then, are today's urgent needs? They are, in a phrase, to control and guide the world revolutions of which I have spoken. Politics as usual, business as usual, education as usual, cannot cope with these unusual times. The world's aspirations will be served. The question for us is whether they will be served by democratic freedom or the totalitarian state. How can such an alternative be resolved? Surely only by the use of every national resource of brains and effort, only by the fullest cooperation between every segment of our society, including, above all, cooperation between government and business and labor.

While labor is a most important part of these three key factors in our Nation's progress, I do not propose tonight to discuss the need for better cooperation between labor and business and government, vital as that need is.

I want to confine the balance of my remarks to the relationship between business and government. And here, in the presence of so many leaders of both business and government, may I say that I think we could do with a lot more understanding and a lot more realism on both sides. Businessmen are only too often overly antagonistic to government, and, equally, those in government have found it politically useful to harass business. We still describe our system by the term "private enterprise," but it is obvious we now have a mixed public-private economy. And that is the fact upon which we must work. Unless we believe we can turn the clock back, that must be the starting point of any realistic discussion of business and political affairs. There are no readymade criteria easily applicable for every situation. We are, as I have said, dealing with a world in revolution. In such a condition we need flexibility; we need realism. What is the problem and what is the best solution of it? These are the questions we should ask ourselves, and we must find the best solution using all the means, public and private, that lie at our disposal.

Such an approach has already proved abundantly fruitful. Look at the defense program. Here urgent national needs have generated a vast private industrial and governmental complex, producing research, weapons, equipment and supplies in great amounts and of great complexity. Our missile program and our space program are a joint Government-business project which brings the energy and initiative of private enterprise into the service of national and international goals. Our primary problems are now global in scope. They are altogether too vast for Government or business corporations to resolve alone. To meet the demands of the cold war, clearly a working partnership between business and labor and Government is needed. The Soviet Union is strong, it is well organized, it has a single purpose, and its resources are skillfully used. How possibly can we compete with them unless we have such a partnership similarly dedicated to well understood goals and similarly armed with a comprehensive strategy?

The danger in all this is, of course, that in fighting the cold war abroad we may lose liberty and private initiative at home. In competing with the Communist state we may dangerously overextend the powers of the state in America. Here, then, is the dilemma. How can we both have a strategy for protracted conflict, and at the same time preserve personal liberty? How can we do what is necessary in the area of public policy and at the same time maintain freedom of enterprise and decision in private business? The answer is not easy. It is evident, however, that we must find new forms of government and business cooperation reconciling these objectives. Upon people like us here tonight lies a special responsibility to offer constructive suggestions to this end. I am not advocating any submission by business, either individually or collectively, to principles it feels are basically unsound. Nor am I saying that to cooperate business should remain silent in the face of unwise or unjust Government actions. Our basic freedoms would not last long in such a climate. But clearly, if we are to avoid the extension of Government authority, we must propose and vigorously push better means of getting the job done.

Now I assure you I know from experience that working with government is no bed of roses. In Jersey Standard we have had the occasion many times to oppose governmental policies, and to deplore what appeared to us a lack of understanding of our business. Again and again the same issues arise and our store of patience becomes sorely depleted. But in justice we must admit there are usually two sides to every question. Government too has its problems; politicians have theirs. What is needed is a real effort of each party to understand the problems of the other. So business and government must make that effort and then, patiently, firmly, and thoughtfully, work out joint solutions. This cooperative approach to solving our Nation's problems is, however, no one-way street. Government must cooperate as much as business. Distrust and suspicion, petty political harassment, unwarranted attacks, and the belief that bigness is badness, can have no place in our Government's share of the cooperative approach.

The point I would especially make tonight is that in many areas of public policy, business and Government must be and are both involved. Maintaining steady employment, promoting economic growth, stimulating research and development, aiding economic advance in underdeveloped countries while maintaining the freedom the individual, and providing efficiently and resourcefully for our vital military needs. Are these not the primary goals of the Nation? They are also, I suggest, those of business, as well as of Government.

In the past 20 years business has gone through what has been called a big change. The next big change is now upon us. We may be stewards of private business but the hard facts of today's international life have made us participants in public affairs. Let us then, above all, be constructive participants. Vast forces of transformation are loose in the world. We must act constructively and flexibly or they will run their course without us and most probably against us. The opportunity is here now. Once gone it may never return.

Mr. JAVITS. Mr. President, I wish to key the point I am now making to the following few sentences.

Mr. Rathbone said:

We still describe our system by the term "private enterprise" but it is obvious we now have a mixed public-private economy.

He also said:

Our primary problems are now global in scope. They are altogether too vast for Government or business corporations to resolve alone. To meet the demands of the cold war, clearly a working partnership between business and labor and Government is needed. The Soviet Union is strong, it is well organized, it has a single purpose, and its resources are skillfully used. How possibly can we compete with them unless we have such a partnership similarly dedicated to well understood goals and similarly armed with a comprehensive strategy?

Mr. President, this is most important. These are the most important words I have seen in years coming from a leader of big business. He concludes his address as follows:

The point I would especially make tonight is that in many areas of public policy, business and Government must be and are both involved. Maintaining steady employment, promoting economic growth, stimulating research and development, aiding economic advance in underdeveloped countries while maintaining the freedom of the individual, and providing efficiently and resourcefully for our vital military needs. Are these not the primary goals of the Nation? They are also, I suggest, those of business, as well as of Government.

Mr. President, it is my intention, when we consider the foreign aid bill, to offer an amendment to the bill which would carry out the concept of introducing the whole private enterprise system into management of the foreign aid program and cementing what is, in such a statesmanlike way, put before us by Mr. Rathbone—the idea that we cannot win this struggle unless business as well as Government realizes there must be a cooperative enterprise.

REDUCTION OF EXEMPTION FROM PAYMENT OF DUTY BY RETURNING RESIDENTS

Mr. JAVITS. Mr. President, I wish to invite attention to the fact that

Calendar No. 452, H.R. 9611, the bill to reduce the exemption from duty for incoming tourists from $500 to $100, was acted on in the Senate today while I was engaged in entertaining some distinguished representatives from Brazil. I had an amendment to the bill, Mr. President, which was printed and which was on the desk, which would have increased, at one and the same time, the allowance for foreign tourists coming into this country from the present level of $10 for gifts which they might wish to bring in to a corresponding $100.

The amendment, incidentally, was recommended by both the Treasury Department and by Clarence Randall, who made a famous study in the former administration on behalf of the President on how to increase tourism. I have discussed the subject with the chairman of the Committee on Finance. I am satisfied that the Committee on Finance did not have an opportunity to act upon the measure which I proposed by way of an amendment in time to consider it on the bill. I am assured the committee will give the subject the utmost consideration in respect to another bill which will go to the same committee from the other body, and I am satisfied, therefore, that this subject will receive attention. I commend the subject to Senators merely by way of notice that it will be brought up before us before the session ends.

TRANSPORTATION OF EXPRESS MATTER

Mr. McCARTHY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 499, H.R. 1986.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 1986) to repeal the provisions of section 5 of the act of July 28, 1916, as amended, relating to the furnishing of information to the Postmaster General by the Interstate Commerce Commission with respect to revenue received by railroads from express companies for the transportation of express matter.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. JOHNSTON. Mr. President, H.R. 1986, to repeal certain provisions of the Railway Mail Pay Act which became law 45 years ago, has been the subject of extensive public hearings, held on June 15, 22, and 23 of this year.

This measure has been carefully studied, all views of the effects of enactment have been weighed, and the committee has concluded that favorable action is necessary if the Railway Express Agency is to survive as a private enterprise. The committee is in agreement that survival of REA is in the public interest.

The section of the act of July 28, 1916, as amended, which would be repealed by H.R. 1986, has two basic provisions:

First. It provides that the Postmaster General shall obtain from the Interstate Commerce Commission information showing revenue received by railroad companies from express companies for the transportation of express matter.

Second. It authorizes the Postmaster General to reduce rail rates paid by the Post Office Department to the railroads for carrying non-first-class mail to the level of the express rail rates, if the express rates are lower.

These provisions were designed to prevent rate discrimination by the railroads against the Government in the transportation of non-first-class mail. Since cost-ascertainment procedures were crude at that time, these provisions gave the Government the best known test of reasonableness—rate comparison. The Postmaster General, from time to time, has requested the ICC to furnish information as provided by law on rail rates for carrying express matter. The Commission, in declining such a request, stated in effect that the law does not place upon it the duty to make an investigation for the purpose of formulating rail rates for the carriage of express matter.

The ICC has contended that the Railway Express Agency has never operated on a profit-and-loss basis, since it simply turned over to the railroads whatever amounts it had left after deducting its operating expenses at the end of each month. REA always broke even on its own books, although the business as a whole has been losing money for years. Because of the contractual arrangements between the railroads and REA, the ICC has held that rates, as such, were not paid, and that for this reason the provisions of the 1916 law could not be complied with.

Revitalization of the Express Agency is now going forward. Under the direction of a young and forward-looking president, REA has in recent years greatly reduced its annual losses. The provisions of the old law, however, stand in the way of the Agency's return to solvency. Under the terms of a new contract between REA and the railroads, scheduled to become effective July 1, 1961, the express company would change its method of operation to one based upon profit and loss, and it could then be construed that rates were being paid. The railroads and the express company fear that the provisions which H.R. 1986 would repeal might then be invoked. This could result in huge losses to the railroads in rates paid by the Post Office Department for the transportation of non-first-class mail.

Opponents of this measure have contended that H.R. 1986 would remove a restraint on the railroads and would permit below-cost charges to REA which would be difficult or impossible to discover and which would permit REA to make below-cost rates to the public, thus unfairly injuring competition.

I have been assured by the Interstate Commerce Commission, in correspondence contained in the report on H.R. 1986, that the ICC has authority—beyond the provisions of the Railway Mail Pay Act—to require and make public the rate information which it was feared would be suppressed. I am convinced that ICC possesses all the authority it requires to prevent any destructive business practices by either REA or the railroads. Upon the basis of assurances given to the committee by ICC, and in the face of clear evidence that the Express Agency's revitalization will fail unless congressional action is taken, this measure has been favorably reported.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. CARLSON. I concur in the statement made by the distinguished Senator from South Carolina, chairman of the Committee on Post Office and Civil Service, in regard to the pending legislation. Full hearings, which extended over a period of 3 days, were held. The bill was unanimously reported by the committee. It had been approved by every agency of the Government. It costs the Government no money. I sincerely hope the Senate will act favorably on it.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, and was read the third time, and passed.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CARLSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF THE SOIL BANK ACT

Mr. HRUSKA. Mr. President, I should like to express my gratification that S. 2197, which amends the Soil Bank Act so as to make feed available to drought-stricken States and providing other relief, has been passed by the Senate this afternoon.

I am particularly gratified at the understanding and tolerance of the Senator from Delaware [Mr. WILLIAMS]. He interposed some objections and raised questions on the bill. Yet, upon assurance from those of us from the Midwest and the members of the committee and upon the approval of certain amendments, he was willing to compromise.

It is fortunate for the citizens of my State of Nebraska that we are not in the drought-stricken area, but we know of the hardship of a drought. The States to the north and west of us are now suffering these hardships.

On their behalf and on behalf of our own people in Nebraska, I express gratification to the Committee on Agriculture and Forestry for reporting the bill and successfully guiding it through to passage.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. MANSFIELD. I compliment the Senator from Nebraska for the many contributions he made to the bill having to do with relief for the drought-stricken areas of the Midwest and the Northern

Plains. It was because of what he did that I believe we were in large part successful in getting a bill that was unanimously approved by the Senate and sent to the House this afternoon.

Mr. HRUSKA. The Senator from Montana is always generous, even as he is now.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of Senators, on Monday the unobjected-to items on the calendar beginning with Calendar No. 458 will be discussed. The Senate will consider also Calendar No. 443, S. 1459, a bill to amend the provisions of law relating to longevity step increases for postal employees. On that measure there will very likely be a yea-and-nay vote, and I think Senators should be on notice.

ORDER FOR CALENDAR CALL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on Monday next, at the conclusion of the morning hour, the Senate proceed to the consideration of items on the calendar to which there is no objection, beginning with Calendar No. 458.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE GERMAN AND BERLIN SITUATIONS

Mr. COOPER. Mr. President, during the last month I have made two statements in the Senate on the Berlin issue.

One suggested that the President and the Secretary of State draw into consultation men of both parties—men with wide experience and political judgment—who had dealt directly with the German and Berlin issues since World War II. Such consultation would serve two purposes: It would give confidence to the Nation that these issues are receiving the fullest and best consideration, and it would provide for the President the widest base of support.

My second statement suggested that it is better to keep open the channels of communication with the Soviet Union, regarding our rights in Berlin and access thereto, than to be faced later with the question of deciding whether we will discuss these rights with East Germany.

For if the Soviet Union should sign a peace treaty with East Germany, we will be faced, at some time, with this question: Will the United States negotiate with East Germany over these rights, thereby admitting, even de facto, the status quo of East Germany—or, as the Soviet Union would contend, admitting the sovereignty of East Germany?

And, if we should refuse to discuss these rights with East Germany after a peace treaty, we know that situations could be provoked, such as the blocking of our access routes, which would require the United States to decide whether it would use force, and commit itself to the possibility of war.

In making these suggestions, I did not attempt to offer specific details or plans regarding the Berlin issue. The ultimate decision is the President's; he ought to have latitude to develop the specifics of the implementation of our rights in Berlin, and the defense of the freedom of West Berlin. And, he ought to have the freedom to consider and propose every honorable means to preserve these rights without war.

The phrase "stand firm" is not the beginning and end of our policy respecting Berlin. To the extent that it expresses firm support of the principles that the United States is in Berlin, and has access thereto, as a matter of right, and that we are committed to the defense of the freedom of the people of West Berlin, the phrase has meaning. These rights are not negotiable.

But if the phrase "stand firm" means the fixed position that the President ought not to examine the realities of the situation, or communicate with Soviet Russia, or take any honorable means to prevent the commencement of hostilities which might expand into a third world war, I disagree.

And I disagree unequivocally with those who, using the term "stand firm," consider it appeasement if any attempt is made by Members of Congress, or by the Executive, to discuss Berlin, except in dogmatic or belligerent terms.

I suggest today two areas in which the President, and the Congress, can give greater meaning to the term "stand firm."

First. Let us stand firm by taking every step, at whatever cost, to assure that the United States has the military power, ready and effective, to support our country in this crisis over Berlin.

We know that the object of our military power is to deter war. But it is also to protect this country, and its freedom, for freedom could perish without power. And today our ability to deal with the Soviet Union on the Berlin issue depends upon our military power, as well as diplomacy.

For 8 years, our military strength has been questioned by Members of the Congress, by military leaders—chiefly after retirement—and by President Kennedy himself during the past campaign.

I have no reason to doubt the statements made by President Eisenhower last year, by President Kennedy this year, and by Secretary of Defense McNamara that our defenses are adequate. But I must say frankly that I would like to know more about our defenses, and I believe my position is shared by other Members of the Congress.

We have great confidence in the members of the Armed Services and Appropriations Committees who are charged primarily with responsibility respecting our defenses. It can be argued that every Member of the Congress can secure adequate information by attending meetings of the Armed Services and Appropriations Committees, reading reports, and listening to debates. But I know from my experience, and my own efforts to secure information, that this system provides Members with a very sketchy outline of defense policies and programs.

Therefore, I suggest that the Secretary of Defense and his Department present to the entire Congress—organized in appropriate groups—full information, within the limits of security, regarding our present strength, and regarding their policies and plans.

Policies to provide military power must be established by those who have expert knowledge—by the Secretary of Defense and his advisers, and ultimately by the President. But it is the duty of the Congress—and I believe its most vital duty today—to provide, at whatever cost, the organization and means to assure the security of this Nation.

It is to enable the Congress to discharge more effectively this vital duty, and to assure the fullest support in this time of the Berlin crisis, that I make this suggestion. I hope that it will be considered by the appropriate committees of the Congress, and by the executive branch.

It would enable the full membership of the Senate—if we will work at it—to carry out the constitutional and now mortal duty to provide an effective defense system. If this is done, the confidence that our country is militarily prepared to meet any danger will be communicated to the Nation, and to our allies.

Second. Let us stand firm on the President's foreign aid program.

The newspapers report today that compromises are being considered by the Senate Foreign Relations Committee and the House Foreign Affairs Committee, and perhaps by the administration.

I have spoken many times in past years upon the importance of developing a foreign aid program which would insure continuity of at least 5 years, and assure its financing by authorizing the foreign aid agency to borrow from the Treasury. I will not repeat these arguments today.

I ask unanimous consent to have inserted in the body of the RECORD at the close of my remarks the speech which I made on this subject over a year ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. COOPER. Mr. President, our foreign aid program—supported by Presidents Truman, Eisenhower, and Kennedy, and by the Congress—has continued since World War II. And whatever the objections, we know it will continue in the years ahead. This being true, we are irresponsible whenever we do not provide the means for its effective organization—economy in the use of our funds, effective use by the countries which receive our aid, and assurance to these countries that the United States will continue to support their economic development as well as their political independence and freedom—for the two are inseparable.

I hope earnestly that the newspaper reports are not true—that the President will not compromise, that the leaders of his party in the Senate and the House will not compromise. If they will stand firm, there are many Republicans who will support them—and the Congress will stand firm on the President's program—a program substantially recommended by President Eisenhower.

A victory in the foreign-aid program at this crucial time will demonstrate to our country, to our allies, and to the world that the Congress supports the President, that it has confidence that we will come through the Berlin crisis, and that it has confidence in the maintenance of our leadership in the world. This I contend, is a positive step, a stand-firm policy which can help in this time of crisis.

One further word. If national defense, and foreign aid, call for expenditures too burdensome for our budget and present tax levies, I submit that the President should call for, and the Congress should enact, additional taxes—even a sales tax paid by all during this crisis—for no burden is too great when the security and freedom of our country are at stake.

Let us stand firm by acts—and not by words alone.

EXHIBIT 1

I believe that if the foreign-aid program is to survive, it demands a reorganization by the executive branch, and by the Congress.

One of the chief reasons for the growing disillusionment over our foreign-aid program, in my view, is that many people do not believe that it is as effective as it could be, considering the amount of money that we appropriate each year. From my observations for a short time in another country, that was my belief—that it is not as effectively used as it should be, and that it demands reorganization.

I wish to suggest a few points today which I believe this administration, or the incoming administration, and the Congress and its appropriate committees might take into consideration in the formulation of a foreign-aid program for the future.

My first point is that military assistance and defense support should be stricken from the mutual security bill and placed in the defense budget.

The second point I make—and I believe this is the most important of all—is that if a foreign-aid program is to be truly effective, it must be given continuity by the administration and by Congress.

The Marshall plan succeeded, in my judgment, because Congress made a statement of policy, a moral commitment to a 5-year program. The European countries were able to plan programs to fit their needs. They were able to organize their plans and programs for a 5-year period. The United States on its part was able to make its economic arrangements, its delivery of supplies over a period of 5 years. This course produced an effective program. And the cost was less than was contemplated at the time of the adoption of the Marshall plan.

As long as we have an economic program under which appropriations are made year by year, the recipient country cannot plan its expenditures; it cannot manage its foreign reserves. The United States cannot plan with the recipient country programs which would be most effective in that country. As a result, a country will not undertake wealth-creating programs because it does not know that help will be forthcoming from succeeding Congresses.

Russia has an advantage in this respect: It can select one or two great projects in another country, of large cost, which are wealth creating. It will make commitments at one time, to enable the major projects to go forward under Russian aid.

It seems contradictory to the very spirit of this country—a country which prides itself on its efficiency, and on the effectiveness of its private enterprise system, where plans are made years ahead—for the Congress to appropriate vast sums of money year by year, piecemeal, which deny the very effectiveness and the fulfillment of the objectives of our foreign-aid program.

Continuity for 5 years would make possible a far more effective foreign-aid program, with the same amount of money we appropriate now, or even with smaller sums.

The third point I make relates to the selection of projects in the recipient countries. Our programs are bilateral. Usually a country submits to the United States a program which it would like to undertake. It is difficult for the United States to say that a better program could be initiated. To do so offends the sense of sovereignty of the other country. It offends their sense of freedom and independence in a newly established country. A multilateral organization, however, could assist in the selection of the best program for a country, without difficulty.

I should like to see the State Department and the executive branch be able in the future to arrange consultations with the World Bank, or with the United Nations program of preindustrial planning. If the preindustrial planning program of the United Nations or the World Bank were used to determine the most suitable programs for recipient countries, we could be sure then our money would be spent on the best programs and would be more effectively used.

My fourth point is that we should give more attention to agriculture. As these countries industrialize, the slow advances in personal income will first be spent on food and clothing. Unless they make progress toward modern agricultural development, we will see inflation in these countries, and the small advance in personal income from their industrial progress will be wiped out.

We know that our foreign-aid program, in self-interest, takes into account the struggle between the two great world forces—the democratic countries and the Communist countries. But for many people throughout the world—and I know this to be true from my service in other countries and from my service in the United Nations—this struggle has little appeal. It ought to have appeal, but it does not reach the people. Many countries are engaged in a revolution, peaceful or violent, to upset the old order in their countries—an order which they believe has held down their living standards and prevented them from attaining equality in the world. Whether it be a democratic revolution or a Communist revolution, there is a mystique and attraction in revolution. We see this today in Latin America.

If we base our mutual aid program with these countries solely in helping us maintain our own defenses and our own security against communism, the program will not have full appeal to the countries that are developing. Although they know of our self-interest, they want to be certain that our purpose in maintaining this program is also to help the newly independent and developing countries advance in the ways our country has advanced. We can communicate that purpose to them only through action.

So, if we are to have a mutual security program which the country will continue to support, this program must be reorganized. I have had the unique experience of observing this program from both sides (as a Member of the Senate and as Ambassador to India); and I have made these same recommendations since 1955 and 1956, when I saw our mutual security program in operation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JAVITS. It is typical of the Senator, when he addresses himself to the subject of foreign policy, notwithstanding the almost understated way in which he does it, that he makes a contribution to the country on the highest level.

It has been my great good fortune to be able to cooperate with the Senator from Kentucky in these endeavors, in which he and I hold such parallel views.

I should like to see if we cannot, perhaps, together sum up what he has said, what I have said, and what is the quintessence of thinking so far developed—at least by persons like the Senator from Kentucky and myself in this debate, which was sparked, I may say, not only by Khrushchev's newest ultimatum, but also by the suggestion of the majority leader that perhaps a resolution of this difficulty might be found in some other way, through the creation of a free city of Berlin.

As I understand the Senator from Kentucky, and based upon my own concepts of this problem, I believe we would agree upon these four points: First, negotiate so long as the Russians in good faith are willing to negotiate. There are some things which are negotiable. We do not believe that our presence in Berlin is negotiable; but the terms and conditions under which that presence is administered may be negotiable, and the door should never be closed to that possibility, whether it is done in Berlin or in the United Nations or in whatever forum seems to be most congenial, provided that our allies, the United Kingdom and France, are kept fully informed and are consulted, as direct parties to any negotiations.

At the same time, let us not close the door to the possibility that there may be some ways in which negotiation can be effected without, at the same time, negotiating what is nonnegotiable, to wit, our presence in Berlin, as I understand it, but keeping our eye on the ultimates. Whatever may be the forms which are employed to clear traffic, whatever may be the color of the caps of the particular officers who are standing at the particular gates which clear traffic, the ultimate point is that we do have complete access; that our presence is unimpeded; that West Berlin is able to operate as a free society, in the way it is operating today.

I do not believe—and I say this as a lawyer—that there are any forms of law which the Russians could use, through the East Germans—and the East Germans are nothing but the alter ego of the Soviet Union—to adopt any "peace treaties" or anything else.

Second, in order to speak with the proper voice and proper determination, we need military strength. I join with

the distinguished Senator from Kentucky and applaud him for the suggestion that in a serious time like this, all of us should have the most complete briefings upon this subject, not simply from the committees, in whom we have great confidence, but who, after all, cannot discharge our responsibilities to the people of our own States.

Let us understand that we are not talking here about light matters. The State of New York has a population of 17 million. I am one of its Senators. New York has the greatest port in the world and the largest city in the world, in terms of power and magnitude. New York is very much bigger than most countries in the world. So when we talk here as we do, I think what we are considering is very sound. I congratulate the Senator from Kentucky for being so clear and realistic on the question of military strength.

Mr. COOPER. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. COOPER. My point in making the suggestion is that in a few days we shall be called upon to vote upon the appropriation bill for the Department of Defense. As I have said and as the Senator from New York has so well said, we have great confidence in the chairman and other members of the Committee on Appropriations and the chairman and other members of the Committee on Armed Services. Nevertheless, we, too, have our responsibilities. All Senators are not on these committees every year. Perhaps in the last few years we may not have exercised our responsibility as fully as we should have.

Last year, when I returned to my State, not only as a candidate but as a representative of that State, and wanted to be able to tell the people what I thought about the defense situation of our country, I did not have enough information from the committees or from the debates in the Senate on which I felt I could speak with the greatest honesty to them.

That is no reflection upon the members of the committee or upon their efforts. It is simply a statement of the way in which we work and of the impossibility of knowing what we ought to know.

So I went to the Department of Defense. I talked not only with the military leaders there, but also with Dr. Herbert F. York, Director of Defense Research and Engineering, and with Dr. T. Keith Glennan, Administrator of the National Aeronautics and Space Administration. Out of those meetings, we were able to get some idea of our position with respect to defense and space. Those men confirmed, at least to us—it was a bipartisan group comprised of Democrats and Republicans—that the Nation was all right. So I was able then to speak honestly to the people of my State and say that the Nation was all right. But we must know today that we are all right now. Otherwise, our position as affecting Berlin could be a gigantic bluff.

I think we are all right; but if we can have some means of learning more in detail about our strength, it would be communicated in the form of confidence among Members of Congress. It would give a confidence which we could communicate to the country and to our allies, which would serve a great purpose in this time of crisis.

Mr. JAVITS. Simply to complete this thought, points 1 and 2 were that we would negotiate what is negotiable; and second, see to our military strength as an actuality, not simply in words.

The third point relates to the success of the long-term foreign aid program. I join with the Senator from Kentucky and pledge my support for the long-term concept of foreign aid. I join him in urging the administration not to compromise us out of what will make that program really effective. I served 8 years as a member of the House Committee on Foreign Affairs. Incidentally, the distinguished majority leader is a former member of that committee and served with me on it. We have seen the validity of this concept. Let us not compromise ourselves out of it in a time of such grave emergency. Let us have faith that Congress is over 21 and can see its duty in the proper light—if the matter is put before us in the proper light—with the right strength.

Mr. COOPER. Mr. President, will the Senator from New York yield again?

Mr. JAVITS. I yield.

Mr. COOPER. I wish to emphasize this point. If the committee compromises this question, before the foreign aid program comes before the Senate itself, there will not, of course, be much opportunity for those of us who believe in an effective program—and who support the President's program, as we also supported President Eisenhower's program—to do much about it. On the other hand, if the committee reports to the Senate a bill which follows the President's program, then I think we can battle for it and have it pass the Senate.

Mr. JAVITS. I am reminded of the fact that we were told only the other night that something could not be done. But it was done because the Senate insisted on acting on the subject of immigration. So I could not agree more with the Senator from Kentucky when he says we should try to accomplish this purpose, because the object is certainly worthy of our effort.

Fourth—and this comes to the point I was making earlier—let us utilize this opportunity to strengthen cooperation among the countries of the free world in respect to economic and other problems of the utmost importance, and to strengthen the effectiveness of our regional organizations. If the effectiveness of the United Nations cannot be strengthened because of the Russian bloc, the effectiveness of NATO, SEATO, and other regional organizations of which we are a part can be strengthened.

Finally, I join with the Senator from Kentucky in the pledge that whatever amount is necessary will be spent. If more taxes are necessary, I will vote for them, just as the Senator from Kentucky says he will vote for them. It is high time the whole country awoke to the fact that we do not get anything for nothing. We certainly do not get freedom for nothing. It has cost oceans of the blood of many, many millions of men throughout history, and tons and tons of money; and in my opinion, the price is no cheaper now. We must make up our minds that we love freedom more than life or money, otherwise we will not preserve them.

I congratulate the Senator from Kentucky for again sparking, as he has so often done, the idea of a sound, constructive, positive way in which to deal with the foreign policy of our Nation. I am delighted to have the privilege of sitting next to him and of joining with him in this debate.

Mr. COOPER. Mr. President, I thank the Senator from New York most sincerely. We find ourselves in agreement on many questions, but I am glad we find ourselves in agreement that some very strong positions must be taken by Congress at this time upon the questions of defense and the foreign aid program—upon positive elements in our position of strength, and upon positive ways in which we must back up the President and our country in this time of crisis.

Mr. MILLER. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. MILLER. I commend the statements made by the distinguished Senator from Kentucky and the distinguished Senator from New York, and compliment them upon their courage and forthrightness in calling for the taxes necessary to implement this program.

Of course, all of us know that we would not even have to call for these taxes if the administration had been content to set priorities for Federal spending and to come forward with first things first—such as national defense and this very important foreign aid, and to let other, domestic-type expenditures take the hindmost. But, unfortunately, that was not done. For instance, the Congress has received innumerable spending proposals, all of them on a must or an urgent basis; and now we are down to where it really hurts, and we are told this is the most important of all.

But if priorities had been established and if discretion in spending had been exercised up until now, it would not have been necessary for the Senator from New York and the Senator from Kentucky to request increased taxes in order to meet the spending which will be required by these—ultimately the most important—expenditures.

I wish I could be sufficiently optimistic to think their call would be heeded; but I have yet to see any evidence that taxes with which to meet these increased expenditures are being requested, and I have yet to see any Senator on the other side of the aisle sound the same clarion call for fiscal responsibility that my two able colleagues have sounded today.

So I must say that I am pessimistic. I hope I am wrong; but I do not expect to see the necessary taxes requested, much less legislated, in order to meet all the spending incurred at this session of Congress.

The net result will be that the taxpayers will have both. They will have these "must" items, and they will have everything else—all these domestic expenditures; and they will be faced with continued deficits.

We now have left a fiscal year with a $3 billion deficit. We have a minimum $5 billion deficit staring us in the face for this fiscal year, as of now; and already there is talk of from $2 billion to $5 billion more, for national defense, piled on top of that.

I do not know where all this will end. But I must say it can be cured only by increased taxes—that seems to be the only way it can be cured now—or by decreasing expenditures and following the call of the President to put aside things that are merely desirable, in favor of things that are absolutely essential.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. MANSFIELD. Mr. President, I heard a small portion of the Senator's speech. I have had the pleasure and the privilege of reading it since I returned to the Chamber. I wish to join my colleagues in commending the Senator for his forthrightness and his courage.

However, I must disagree with some of the statements made by the Senator from Iowa when he talks about first things first and deficits and taxes.

I recall that this administration has requested of this Congress that postal rates in the various categories be increased, so that something on the order of $900 million could be raised. But I know of no action taken by this Congress yet, although I have spoken on the subject, and have stated that I was prepared to support the President in that respect.

I have also stated that I am prepared to vote for additional taxes, if need be.

I point out that when a Senator talks of a $3 billion deficit for the past fiscal year—that ending on June 30—he is not talking of a Kennedy deficit, but he is talking of an Eisenhower-Kennedy deficit. And when a Senator talks of a possible $5 billion deficit this fiscal year, I point out that not too many years ago—and believe me, Mr. President, I do not like to become political—under a previous administration we had a deficit of between $12,500 million and $13 billion—the highest peacetime deficit, I believe, in the history of the United States.

So I hope that when we discuss such matters as Berlin and foreign aid—both of which are vital to the security of our country, as I see it—we do not become involved in partisan politics, because the stakes are too high. There is no easy or cheap or quick way out of the difficulties which confront us today; and the sooner we face up to these realities and the sooner we get away from the emotional aspects of the side issues, the sooner we, as a people, and our friends throughout the free world—including West Berlin—will be much better off.

Again I wish to commend most highly the distinguished Senator from Kentucky for the courage and the forthrightness he has shown today, here on the floor. It is nothing new for him; it is the way he almost always—if not always—acts.

Mr. COOPER. I thank the Senator from Montana for his remarks.

EXEMPTION OF DURUM WHEAT FROM ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. What is the pending business?

The PRESIDING OFFICER. There is none.

Mr. KUCHEL. Mr. President, I move that the Senate proceed to the consideration of calendar 473, Senate bill 1107.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1107) to exempt the production of Durum wheat in the Tulelake area, Modoc, and Siskiyou Counties, Calif., from acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert: "That section 334(i) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking "1958 through 1961" out of the first sentence thereof, and inserting "1958 through 1963"; and

"(2) by adding at the end thereof the following additional sentence: "Any provision of law providing for a general reduction in farm acreage allotments, or for an acreage diversion program, for the 1962 crop of wheat shall not be construed to apply to farms for which acreage allotments are increased under the provisions hereof unless such provision of law is made applicable specifically to such farms."

Mr. KUCHEL. Mr. President, this bill was introduced by me and my colleague from California [Mr. ENGLE]. It has been cleared by the minority and also by the majority.

In a word, the bill would extend Public Law 390, of the 85th Congress, to cover the 1962 and 1963 crops of Durum wheat in the Tulelake area of California.

I ask unanimous consent to have printed at this point in the RECORD a portion of the report of the Senate Committee on Agriculture and Forestry on the bill.

There being no objection, the excerpt from the report (No. 505) was ordered to be printed in the RECORD, as follows:

Since 1958 that law has provided for a minimum Durum wheat acreage allotment of 8,000 acres in the specified area. S. 1107, as introduced, would have exempted the producers in the area from all acreage restrictions on Durum wheat permanently. In view of present excessive supplies of all wheat and possible oversupplies of Durum wheat in future years, the committee believed a complete exemption would be undesirable and would set a bad precedent, but that the limited relief provided by the committee amendment was reasonable and necessary.

The Tulelake division of the Klamath project was developed by the Bureau of Reclamation and released by it for homesteading by World War I and II veterans. At least 90 percent of those now farming in the area are such veterans.

Only a few crops can be grown successfully in the area and Durum wheat was introduced in 1952. When special legislation was in effect in 1956 and 1957 to promote the production of Durum wheat in this and other areas, producers expanded their acreage but such acreage could not be counted as history for purposes of allocating future acreage allotments. Consequently, Public Law 390, 85th Congress, was enacted, giving the Tulelake producers an 8,000-acre allotment which could be counted as acreage allotment history.

Durum wheat, which is the preferred cereal for the manufacture of macaroni, spaghetti, and similar products, will grow properly in only a few areas of the United States. These areas are located in Minnesota, North Dakota, South Dakota, Montana, and the Tulelake region of California. Durum wheat from the Tulelake area has created and sustained a new market, which cannot be economically supplied by wheat from the other areas. If this supply is now sharply reduced, severe disruption of this new industry may result and farmers of the area will be foreclosed from using a market which is ready to utilize their product.

The additional acreage would be allotted within the area on the basis of relative needs, tillable acreage, and other factors, and if planted, would be taken into account in establishing future State, county, and farm allotments. No wheat on a farm receiving an additional acreage allotment would be eligible for price support.

The committee amendment also adds a provision to prevent the minimum Durum wheat acreage allotment provided by the bill from being nullified by any general reduction in wheat acreage allotments in 1962, and to prevent producers receiving allotments under the bill from participating in any wheat diversion program that may be provided for 1962.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to provide a two-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California.

Mr. KUCHEL. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

SOCIAL SECURITY AMENDMENTS AND SAFETY OF THE SOCIAL SECURITY SYSTEM

Mr. MILLER. Mr. President, Congress recently passed some amendments to the social security law. These were accompanied by a slight increase in the tax, which the proponents assured us

would cover the cost of these amendments. As a result, it is my recollection that the bill containing these amendments passed the Senate without dissent.

During the debate, some questions were raised about the so-called solvency of the social security trust fund. Also, an effort was made to obtain some assurance that the President's medical-care bill would be taken up at this session. There seems to be a general feeling that this medical-care bill, which would blanket in everyone now on social security, will not be taken up until an election year, namely, 1962.

In the June 29 issue of the Wall Street Journal there appeared a scholarly article by Mr. Ray M. Petersen, a vice president of the Equitable Life Insurance Society. It is a condensation of a longer article published in the Journal of the American Medical Association. The article is thought provoking and sobering. It points up the fact that the older generation of today is piling up a staggering debt on the shoulders of the younger generation, with respect to the social security system. For example, Mr. Petersen states that if taxes had ceased in 1950, the trust fund would have covered 113 percent of the benefits promised for the future for those then in receipt of payments; but it is estimated that if taxes should cease in 1965, only 20 percent of the benefits for those then on the rolls would be covered, with no provision at all for those not then on the rolls.

This is indeed a horrifying fiscal picture; and, as Mr. Peterson says—

> When the magnitude of this inequity becomes more fully understood, will the "din of inequity" arise? Will there be a demand for support from general revenues? Will there be a refusal to pay increased social security taxes? Will there be a demand for reduction of benefits?

These are timely questions today—particularly so when there is a proposal to put medical care for everyone 65 years of age or over under the social security program, with no one now on the rolls having to pay anything at all to finance the program, and with—as Mr. Peterson points out—millions of active workers and their employers paying in taxes only a fraction of the cost of the benefits.

It seems to me, Mr. President, that we had better forget about automatically furnishing everyone, whether in need or not, with medical care just because he happens to be on the social security rolls, and start worrying about the preservation of the future benefits of social security pensioners under the present program. I might add that Mr. Peterson's article also shows that the debt being passed on to future generations under the present program alone is around $300 billion—representing the difference between the present worth of future benefits and the present worth of the future taxes people now in the program will pay. Needless to say, interest will have to be paid on this debt, too, by future generations.

I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 29, 1961]

SOCIAL SECURITY-GO-ROUND: BECAUSE IT'S NEITHER INSURANCE NOR DOLE, MASSIVE PROBLEMS PORTEND

(By Ray M. Peterson)

A great national debate is now in progress as to the issue of providing medical care and hospital benefits under the social security system. That debate can be pursued intelligently and wisely only if we understand the true nature and implications of the social security financing mechanism.

Advocates of the social security approach assert that it is best because the social security financing mechanism is "time-tested" and "tried and proved." In my opinion this is not so. The social security financing mechanism has not yet met the test of time; its crucial tests still lie ahead.

The public is being given the false impression that our social security program has many of the unique attributes of voluntary private insurance—attributes which the American people have come to value highly. When the American people ultimately come to know that the nature of our social security program is distinctly different, a rude awakening may occur, one which could have important political and economic consequences. Will the youngsters of the future protest what the oldsters of this generation have voted for themselves? During the decade ahead, will we oldsters, as we seek to enjoy our social security benefits, hear a rising clamor of unfairness—a din of inequity? Let us examine the situation that is building up.

VITAL BACKGROUND

Here is some vital background information. In financing a national old-age pension program, there are possible two approaches as extremes—"pay as you go" and full reserve—and an infinite number of combinations of the two.

Pay as you go financing, as the term is used in the field of social insurance, means that the Government raises currently through taxes just enough funds to pay the cost of benefits currently due. No reserve is accumulated; no element of prepayment is involved; money is raised as and after payees become eligible to receive benefits. In this latter sense (i.e., relative to the time persons become eligible for benefits) pay as you go is really a post-paid system of financing.

Full reserve financing, on the other hand, is a prepaid system of financing. All benefits are fully paid for or financed during the years prior to the time they are entered upon. Under full reserve financing, the dollar sum of all payments into the fund, together with the interest income earned from its investment, is sufficient to pay off all liabilities for guaranteed or promised benefits. No benefits are promised beyond what can be provided for—at any given point in time—by payments into the fund, plus interest earned.

Full reserve financing in the field of private insurance is the test of actuarial soundness, and it is the only concept of actuarial soundness with which the American people are generally familiar. The actuarial soundness of private insurance is assured by the use of insurance principles; any fiscal soundness (not actuarial) possessed by social insurance depends mainly on the taxing power of the Government. To call a social insurance program actuarialy sound just because income balances outgo is to misuse the term.

Two other important points need to be made. One is that under voluntary private insurance the principle of individual equity is preserved; i.e., there is a direct relationship between contributions and benefits; one receives as insurance or annuity coverage precisely what one pays for. This is rarely the case under a social insurance program. There, a new concept, called social adequacy, prevails. As defined by R. A. Hohaus, in 1942: The measure of protection should be social adequacy for the insured and their families—that is, it should represent, as far as practicable, a basic layer of protection. Social adequacy usually makes it impractical to have individual equity for the insured in the sense of a mathematical quid pro quo return on account of the contributions made by or on behalf of the individual. A socially adequate benefit provides an income sufficient as basic protection against want and destitution, and, consequently, may be much more, or even much less, than an equity benefit.

THE TRUE NATURE

Now, let us establish the true nature of our social security financing mechanism. Evolving through a political process, there has been, beginning with the 1939 amendments, a continuing shift away from substantial individual equity toward social adequacy, and the financing method has become a mixture of full reserve financing and "pay as you go," with the latter far outweighing the former. All this has been clearly stated by the Chief Actuary of the Social Security Administration. He said:

"The issues of underlying philosophy for an old-age benefit formula under the social insurance approach have been summed up in the expression 'individual equity versus social adequacy.' It was generally recognized that individual equity is of paramount importance in administering voluntary old-age insurance on a sound financial basis, since each individual has the right to purchase insurance or not as he wishes. However, under a governmental social insurance plan, individual equity in the relationship of the individual's future benefit to his current contribution is not essential to financial soundness, since the individual has no choice as to being covered or as to his rate of benefits or contributions.

"The issue was resolved in the 1939 amendments by a major change in emphasis, as a result of which the old-age benefit formula is based largely on the adequacy concept—and thus to only a small extent on the equity concept."

Then, as to the financing method, he added:

"The principles upon which to base the financing of old-age and related benefits in a social insurance system have been discussed at great length both in this country and abroad.

"This debate was especially active early in the development of our old-age insurance system, when the size of the fund to be accumulated was a burning question. As is often the case in this country, the answer was arrived at through a pragmatic political process rather than through a theoretical philosophical process. And, as is also often the case, the pragmatic process has resulted in an answer which, to date at least, has worked out satisfactorily. Just as the benefit formula is a blend of equity and adequacy, with much greater emphasis on the latter, so is the financing method a blend of 'reserve' and 'pay-as-you-go,' with the latter having the greater weight."

Are these blends so bland as to blind us to blunders? There is grave danger of this.

Let us turn now to another authoritative source, which describes the "pay-as-you-go" nature of our financing method and shows that an individual's benefits are not financed by his own contributions but by the contributions of others. In an opinion handed down on June 20, 1960, the Supreme Court of the United States had this to say:

"The program is financed through a payroll tax levied on employes in covered em-

ployment, and on their employers. * * * The tax proceeds are paid into the Treasury as internal-revenue collections * * * and each year an amount equal to the proceeds is appropriated to a trust fund, from which benefits and the expenses of the program are paid.

"Persons gainfully employed, and those who employ them, are taxed to permit the payment of benefits to the retired and disabled, and their dependents. Plainly the expectation is that many members of the present productive force will in turn become beneficiaries rather than supporters of the program. But each worker's benefits, though flowing from the contributions he made to the national economy while actively employed, are not dependent on the degree to which he was called upon to support the system by taxation."

For the years 1956 through 1965, tax collections for old-age, survivors, and disability insurance (OASDI) will total $115.1 billion and OASDI benefits and expenses will total $114.5 billion. These figures clearly show that we are now almost completely on a pay-as-you-go or hope-as-you-pay basis.

SOCIAL ADEQUACY

Now, let us return to the terms "individual equity" and "social adequacy." What is their significance? Individual equity, remember, equates contributions (or taxes, employee's and employer's combined) and benefits; the benefit is earned by the contribution. A socially adequate benefit, however, may be more or less than an equity benefit. The fact is that, for the vast majority of present members of the OASDI system, benefits will be much greater than an equity benefit. An income that meets social needs includes a large element of unearned benefits or unearned increment for most of the present members. But the pendulum swings the other way for the youngest members and for all new entrants. Social adequacy for some means individual inequity for others.

The decided swing away from substantial individual equity toward social adequacy which began with the 1939 amendments has been accelerated since 1939. This has been the result of deferring scheduled tax increases, extending coverage to new groups, and increasing benefits for both retired and nonretired groups without increasing the taxes with respect to them by an amount sufficient to cover the cost of their increased benefits.

One need not be an actuary to realize that if large classes of persons receive benefits of greater value than the taxes paid with respect to them, then somebody else must pick up the tab. The unearned benefits are in one sense a subsidy which the older generation has voted for itself, and in another sense a debt representing the present worth of the subsidy which that same generation has assigned to younger generations for service or payment. In view of section 1104 of the Social Security Act giving Congress "the right to alter, amend, or repeal any provision" of the act, this debt does not have the same legal character as the national debt represented by Government bond promises to pay, but if social security promises are to be honored, the debt is just as real as the national debt. The younger generations can either pay off the debt or they can settle for just paying the interest on it.

But is it that simple? Are these really two choices? The great emphasis on social adequacy has some very disturbing implications.

The first is the dawning realization that we have but one choice, and that choice is to pay the interest on the debt forever, since the debt is permanent. The only way the debt can be reduced is to have a given generation of workers build up a huge reserve fund (over and above present payments) solely for that purpose. To expect this to happen is to be politically and economically unrealistic. With no reserve fund in sight to reduce the debt, the burden being passed on to future generations is permanent. It is not something that will somehow work itself out, or go away; it is not an actuarial fantasy.

PASSING THE BURDEN

Second, not only is the debt permanent, but the burden being passed on to future generations is a growing one. Under the 1956 act, the debt arising out of the unearned increments was estimated to be $269 billion. This is the difference between (a) the present worth, $486 billion, of all future benefits and expenses for all persons then OASI members, and (b) the sum of the present worth, $194 billion, of all the future taxes with respect to such members and the trust fund, $23 billion. The corresponding present worth of unearned increments at the end of 1958 was $289 billion. Estimates of the writer, based on available data, show the debt growing from about $150 billion under the 1952 Act to $200 billion under the 1954 act, and on to about $300 billion under the 1958 act. The 1960 act will produce some further increase.

Third, and most serious of all, because of this debt, employee and employer taxes with respect to the average new entrant will always exceed the value of the benefits such a new member will receive. The constant combined employer-employee tax rate estimated as sufficient to pay for all future benefits was 7 percent of taxable payrolls under the 1954 Act. Of this, 4.6 percent was needed to support benefits for the average new entrant, and 2.4 percent was interest on a debt of about $200 billion. Under the 1958 act, such tax rate requirement was about 8.75 percent, of which 5.25 percent was needed for a new entrant and 3.5 percent for interest on a debt of about $300 billion. Under the 1954 act, the value of total new entrant taxes was 152 percent of the value of the benefits (7 divided by 4.6); under the 1958 act this became 166⅔ percent (8.75 divided by 5.25). There is no intrinsic reason why this cannot exceed 200 percent.

At this point, the average new employee, alone, more than pays his own way. Today, the average new self-employed person is paying 20 percent more than the value of his benefits.

DIM PROSPECTS

When the magnitude of this individual inequity becomes more fully understood, will a "din of inequity" arise? Will there be a demand for support from general revenues? Will there be a refusal to pay increased social security taxes? Will there be a demand for reduction of benefits? Will an employer ask a private insurance company whether he can obtain larger benefits for new employees with same joint employer-employee contributions? If he should ask me, this is what I would say: "About 80 percent of joint employee-employer taxes involving your new employees is for old-age benefits for the employee, his wife or his widow. The remaining 20 percent is for survivor and disability benefits before retirement. Depending upon the marital status and the sex of your new employees and the rate of earnings, this 80 percent of taxes would buy under an Equitable group annuity contract, at our present rates, 40 to 60 percent more in old-age benefits than are provided under the OASI system."

The foregoing situation would be further aggravated if more is added to this unearned-increment debt by deferral of scheduled tax increases and by benefit increases without fully compensating tax increases with respect to those receiving the benefits.

The shift in principle from individual equity to social adequacy and from "full reserve" emphasis to pay-as-you-go financing is vividly reflected by the change in the relationship between the amount of the old-age and suvivors insurance (OASI) trust fund and the value of the benefits for persons currently on the benefit rolls. (Disability benefits and trust fund excluded.) If taxes had ceased in 1950, the trust fund would have covered 113 percent of the benefits promised for the future for those then in receipt of payments; but if taxes should cease in 1965, it is estimated that only 20 percent of the benefits for those then on the rolls would be covered, with no provision for those not on the rolls.

We have observed the growth of unearned increments and the departure from individual equity in the name of social adequacy. For a social insurance system established to provide only a minimum basic coverage as protection against want and destitution, this is fully justified. It is in harmony with the 1937 Supreme Court decision which declared the system constitutional as a welfare measure. The advocates of great expansion of social programs, however, have now dropped the adjective "social" and speak only of adequacy. Here are proposals for departure from social adequacy to higher orders of adequacy.

"GREATER ADEQUACY"

Prof. Wilbur Cohen, of the University of Michigan (now Assistant Secretary of Health, Education, and Welfare), recently said we must develop a concept of "greater adequacy." Speaking of the 50–50 payroll-tax financing, he said that there was no reason why it could not be 40–60, or have the Government make a substantial contribution.

Nelson H. Cruikshank, director of the AFL–CIO department of social security, recently wrote:

"The proportion of present earnings that is represented by benefits on retirement must be materially increased for workers in the middle- and upper-income brackets. A worker with average wages in industry today receives only about 30 percent of his present earnings. In order to keep pace with the rising levels of living and to maintain confidence in the system on the part of those in the middle- and upper-wage ranges, he should receive, 25 years from now or sooner, at least 60 percent of his earnings on retirement."

Based on a current average wage of $4,600, the primary amount is about 32 percent for an employee, and the total benefit for a married couple is 48 percent.

These proposals go far beyond the concept of social adequacy. Their enactment could increase the permanent social security debt to more than one-half trillion dollars.

What happens when the social security financing mechanism is used for medical benefits? Let us first recall that the proponents of the contributory old-age and survivor's insurance system, led by Arthur Altmeyer, have always been anxious to preserve the contributory principle; i.e., no one receives cash benefits under that system unless he contributes for a minimum period of time. Even though contributions have been only token payments for hundreds of thousands of members, Congress has adhered to this principle. Now, with an entirely new type of proposed benefits, i.e., medical care, for which the present persons on the old-age payment rolls would pay nothing, this principle is thrown overboard; all present social security payees would be blanketed in. Also, millions of active workers and their employers would pay in taxes only a fraction of the cost of the benefits.

With no necessary application of the principle of social adequacy, another segment of unearned increment would be granted which would add to the permanent social security debt on which future generations and their

employers would need to pay interest. A good guess would place this sum at $25 to $30 billion for the Forand bill, $15 to $20 billion for the King-Anderson bill, and around $30 billion for the McNamara bill. This would be only a start. The admitted political technique is a fragmentary approach.

In this steady procession of developments, the principle of social adequacy—the idea of basic protection against want and destitution—is lost, with no replacing anchor of control to restrain expansion of so-called social insurance.

Our social security system can be preserved only if we keep benefits within the limits of carefully defined social objectives. Abraham Epstein, a pioneer in the development of old age income programs, is reported to have said the social insurance is like a drug: A limited quantity can serve a vital need; an excessive quantity can be fatal.

ADJOURNMENT TO MONDAY

Mr. GRUENING. Mr. President, in accordance with the previous order, I now move that the Senate stand in adjournment until Monday next at noon.

The motion was agreed to; and (at 5 o'clock and 11 minutes p.m.), the Senate adjourned, under previous order, until Monday, July 17, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 14, 1961:

U.S. TARIFF COMMISSION

Ben David Dorfman, of the District of Columbia, to be a member of the U.S. Tariff Commission for the term expiring June 16, 1967, vice James Weldon Jones, term expired.

TAX COURT OF THE UNITED STATES

William M. Fay, of Pennsylvania, for appointment as judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1956, vice J. Edgar Murdock, retiring.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 14, 1961:

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS

Edward T. Wailes, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic.

William P. Snow, of Maine, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay.

deLesseps S. Morrison, of Louisiana, to be the representative of the United States of America on the Council of the Organization of American States, with the rank of Ambassador.

DEPARTMENT OF STATE

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

INTERNATIONAL COOPERATION ADMINISTRATION

Seymour J. Rubin, of the District of Columbia, to be General Counsel of the International Cooperation Administration, in the Department of State.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Edward Steidle, of Pennsylvania, to be a member of the Federal Coal Mine Safety Board of Review for the term expiring July 15, 1964.

EXTENSIONS OF REMARKS

B'nai B'rith Americanism Citation to Frank P. Fogarty

EXTENSION OF REMARKS

OF

HON. ROMAN L. HRUSKA

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, July 14, 1961

Mr. HRUSKA. Mr. President, Omaha's broadcasting executive Frank P. Fogarty was the 61st recipient of the B'nai B'rith citation presented by the Henry Monsky Lodge No. 354.

Mr. Fogarty is a man of many civic achievements and honors. He has also gained wide recognition in his own field of radio and television communications.

Mr. Fogarty has a keen sense of ethics and fair dealing and the important part they must play in our business community. He is opposed to the type of expedience which is sometimes thought to be necessary in order for business to thrive and prosper.

Mr. Fogarty accepted the award on June 6 of this year. At that time he read and endorsed a creed for American business. I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD the text of that "Creed for American Business," together with my telegram of congratulations.

There being no objection, the telegram and creed were ordered to be printed in the RECORD, as follows:

JUNE 6, 1961.

Mr. RUBEN LIPPETT,
Henry Monsky Lodge,
Omaha, Nebr.:

In presenting to Frank P. Fogarty the B'nai B'rith's Americanism citation your good Henry Monsky Lodge is maintaining the high standards and excellence of its tradition of awards programs. All Omahans and Nebraskans take pride in Frank Fogarty's splendid record as a civic leader as well as businessman. He has been a part of the growth of a wholesome and sound city and State for a quarter century in a very meaningful way. We congratulate and salute Mr. FOGARTY. We commend your lodge for extending this richly deserved, well-earned recognition.

ROMAN L. HRUSKA,
U.S. Senator, Nebraska.

A CREED FOR AMERICAN BUSINESS

(By Frank P. Fogarty, Executive Vice President of the Meredith Broadcasting Company, and Vice President and General Manager of WOW–AM–TV–FM, in a speech on acceptance of the Americanism Citation Award presented by the Henry Monsky Lodge of the B'nai B'rith, Omaha, June 6, 1961)

We believe that business should earn a profit, and that it should wear its profits proudly. Too long have we permitted shortsighted critics to point the finger of shame at profits, as something to be schemed, bargained and taxed out of existence.

We believe that business should be more eloquent and evangelistic in explaining and defending the profit system, otherwise known as free enterprise. We have failed to convince the people that out of profits must come the money to make jobs, to promote philanthropy, to support the Government, and to finance the growth of the country. We have erected what we fondly hope are adequate defenses for the physical targets of the Communists, but we have failed to provide for the defense of their ultimate targets, our profit system, our democracy and our faith in God.

We believe that a business should be deeply integrated into the community it serves, so that it will know the needs, desires and problems of that community.

We believe that a business should accept its full share of responsibility for the things that make a community a better place in which to work and live. Concretely, this means that a business should interest itself in schools, churches, hospitals, parks, museums, settlement houses, health and welfare organizations, old people's homes, and nurseries, among other institutions.

We believe that a business should be a good citizen in the formal or political sense of the world. It should of course pay its just share of taxes fully and promptly. Over and above that, it should take an interest in government and encourage its employees, customers and associates to do so. Business should support city planning and foster soundly conceived public works, looking upon them, not as a burden, but as an investment.

We believe that business should sweep broad horizons in its thinking, that business should be accurately informed about and emotionally involved in the problems that confront the United States, both in so-called normal times, such as you and I have seldom experienced in our lives, and also in these days of cold war and hot peace. We believe business should contribute to the Nation its full share of thinking and leadership. We think business should speak out more frequently, more clearly, more bravely.

We believe that a business should contribute to the economic health of its community. It should work vigorously for a political climate in which business can prosper, thereby broadening the base for taxation, creating jobs and developing opportunity for the young. Business should lay out the welcome mat for other businesses, even though of the same type.

Address of Senator Dodd at Annual Conference, National Council of Juvenile Court Judges

EXTENSION OF REMARKS

OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, July 14, 1961

Mr. DODD. Mr. President, during the week of June 26, the Nation's juvenile court judges assembled in San Francisco

for the 24th Annual Conference of the National Juvenile Court Judges. This conference marked an important step in the direction of cooperation between our Nation's juvenile court judges and officials of the various levels of State and Federal Government who also deal with the problem of juvenile delinquency.

Participating in this week of activity were representatives from the Federal Government, including the Department of Labor, the Department of Health, Education, and Welfare, the Attorney General's Office, and the Senate Subcommittee To Investigate Juvenile Delinquency.

Our Senate subcommittee has been investigating the relationship of televised crime, violence, and brutality and juvenile delinquency. I think it was one of the significant events of the conference when the judges, who come in closer contact with delinquents than does anyone else in our society, unanimously adopted a resolution decrying television shows devoted to themes of crime, violence, brutality, sex, and sadism.

I am sure that in this and many other areas, through the cooperation of the National Council of Juvenile Court Judges and the Federal Government, we will achieve important progress in our battle with the youth crime problem.

I ask unanimous consent to have my remarks, entitled "1961—a Turning Point for the Nation's Juvenile Courts" printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR THOMAS J. DODD, OF CONNECTICUT, AT THE ANNUAL CONFERENCE OF THE NATIONAL COUNCIL OF JUVENILE COURT JUDGES, SIR FRANCIS DRAKE HOTEL, SAN FRANCISCO, CALIF., JUNE 30, 1961

I am pleased and honored that you have invited me and members of my staff to be with you at this meeting of the National Council of Juvenile Court Judges.

We are here to listen and learn and to take back to Washington information and insights that will help us in our work.

Upon becoming chairman of the Senate Subcommittee To Investigate Juvenile Delinquency, the first thing I did was to go for help and guidance to those who are in the best position to give it—the juvenile court judges. I asked three of your colleagues, Judge Connelly of Boston, Judge Riederer of Kansas City, and Judge Blessing of New Orleans to come to Washington and tell me what they thought had to be done about this menace of juvenile crime and what our subcommittee could do to help in the struggle. I remember their surprise at being asked. But they came and they came right away.

We sat down together and through our talks and later correspondence worked out a program of action for our subcommittee which we have been trying to carry out.

This is the way I hope we can work together in the future, as partners in one of the most important efforts of our time, the salvaging of a million young Americans who have started down the road of crime and degeneracy.

No one who is not in your shoes can fully comprehend the responsibilities placed upon you, the full dimensions of the problems you face, and the meagerness of the means which society has given you to solve them.

Each day that you sit on the juvenile court bench, you see before you the victims of a creeping sickness in America.

Each case represents its own variety of tragedy. Each brings its reminder of the weakness of human beings. Each retells the familiar story of parents who have failed, of schools which have proved inadequate, of church efforts unequal to the task, of a society whose tone has helped to corrupt rather than elevate, of community facilities so inadequate as to raise in your minds and in mine the question—do our people really care?

We believe, we must believe, that the majority of our people do care, that they are willing and anxious to deal with this problem, that they are ready to support the expense and effort required, and that the pitiful state of our facilities for dealing with youthful offenders is due not to indifference, but to ignorance and misunderstanding, caused in some measure by our own failure to communicate effectively.

And so we are trying, each in his own way, to dramatize this problem, to outline the ways in which it can be solved, to solicit the help that we must have. Thus we have a committee of the Congress investigating youthful criminality and bringing the facts before the public; we have an administration publicly recognizing the menace and proposing a many-sided attack upon it; we have crusading, enterprising newspapers taking up the fight all across the Nation; we have a small but growing body of scholars and social scientists probing deeper and deeper into this malignant social disease; and we have this National Council of Juvenile Court Judges, acting with a new unity and purpose, meeting here in San Francisco to exchange information, to develop new approaches, to make an impact on national opinion.

And so, though the problem before us is graver than ever before, we can well approach it, not with despair and gloom, but with hope and confidence.

What is the size and shape of the menace that we are grappling with?

In the past 20 years, crime in America has become organized to such a degree as to assume many of the accouterments of respectability. It has the structure of a corporation, the legal talent worthy of a government, and capital reserves comparable to those of Wall Street.

And the growth of juvenile crime has outstripped that of organized crime, offering to its czars a growing body of eager recruits.

In the last 10 years, referrals of young boys and girls to the juvenile courts have risen almost 200 percent. The latest figures for 1960 show a continuation of this upward surge. And new and uglier aspects of juvenile crime are involved in these statistics.

Competent surveys available today point to a sharp increase in crime among the children of higher income families, a shocking rise in youthful offenses in rural areas, and an alarming increase in brutal, sadistic criminal acts committed for no apparent reason other than the mere desire for brutality and sadism.

Even teenage girls, heretofore a comparatively law-abiding group, are now an important element of the juvenile delinquency pattern.

Today delinquency knows no barriers; no social barriers, no economic barriers, no geographic barriers.

An ever-increasing army of juvenile criminals is on the march. Count the noses. In 1960, half a million strong. Include the traffic violators, many of whom are serious offenders, and it was almost a million. And if only the present rate of increase is continued, by 1970 about one and a half million juvenile cases will come before the courts. This is indeed an army.

The juvenile court is the heavy artillery in the battle against youth crime.

The boy standing before the bench is standing face-to-face with the rest of his life. Whether he knows it or not, the judge before him is his last and best hope on earth.

True, there are the training schools, treatment and rehabilitation centers, and the dedicated probation departments. But each is already overcrowded, understaffed, and poorly financed. Each operates under circumstances that make rehabilitation improbable.

After the family, the school, the church, and all the other social forces have failed to lead the child away from delinquency and crime, he comes before the juvenile court bench and it is the judge to whom he looks for help, sometimes unknowing and ofttimes angry. Seldom does he realize that this may be his last chance, that beyond this point he can well sink lower and lower until he ends up on the scrap heap of humanity.

From this moment on, the judge, the probation staff, and other court personnel replace the child's parents in looking after his interests, because the parents have already failed. Thus, whatever is done to the child after he comes to court, be it dismissal, probation, or placement in an institution, it is the judge who makes the decision. And making the decision is an awesome responsibility.

Because the court does replace the family and other agencies, it is imperative that the court's own effectiveness be beyond reproach.

Each of you know, however, the court does not always have the resources necessary to effectively discharge its responsibilities.

There are courts the Nation over where justice is a farce because there is too much to be done by too few. Not only is there overcrowding, but a critical lack of trained and qualified personnel. Court-connected services are deficient and budgets are skimpy. The result is a breakdown of intelligent, selective action in favor of enforced haste.

Similar conditions exist in detention homes, training schools, and in practically all youth rehabilitating institutions.

During our committee investigations we have found overwhelming evidence of this. The hands that are strangling our efforts to fight the youth crime juggernaut have 10 fingers.

First, of the 3,000 juvenile courts in the United States, a large number have judges untrained in the delinquency field, and some even in law.

Second, only one-half of the counties dealing with delinquents have the barest kind of probation services.

Third, with a conservatively estimated need of 15,000 trained juvenile probation officers, there exist only 2,100 probation officers dealing with children alone, with an additional 3,400 handling both adults and juveniles.

Fourth, only 1 out of 10 of these probation officers has completed any type of training for the job.

Fifth, an additional 4 out of 10 do not have the educational background to make them eligible for professional training.

Sixth, in many State training schools administrators have to go out into the street for personnel, give them a few days of training, and put them to work with highly disturbed youths.

Seventh, 3 out of 10 of our State training schools have no staff social workers and 4 out of 10 of these schools have no staff psychologist.

Eighth, trained persons to handle the 100,000 children who are confined annually in our jails because of a lack of juvenile institutions are practically nonexistent.

Ninth, 1 out of every 2 cities over 10,000 population has no special juvenile officers.

Tenth, all too frequently, juvenile offenders are thrown into jail with adult offenders.

More shocking, our committee found numerous cases of children being confined with adult criminals for long periods of time while awaiting a court hearing which may well find them not to be offenders at all.

This is the national situation as I see it. If we do not make major efforts now, we can look to a disaster of gigantic proportions in the near future. And aside from these deficiencies, I would be remiss in my assignment if I did not emphasize what I consider to be a double jeopardy:

On the one hand, we have competent judges overwhelmed by an endless flow of serious offenders cascading through their courts. On the other hand, we have the ill-equipped, incompetent judges described by a fellow judge as "honorable peacocks preening themselves on the juvenile court benches of this country" who "bluster, pontificate, and posture while youngsters slip deeper into trouble and families deteriorate for want of proper judicial and probationary services."

We see, as from afar, a vast tidal wave looming up on the horizon, moving toward our jerry-built patchwork of dikes and levees. Somehow we have got to rebuild our defenses and redirect the tidal currents that threaten to drown us.

We are at a turning point in the history of the juvenile court system. It will either rise to the occasion and begin to show discernible progress year by year, or it will go under.

No judge wants to be a poor judge, an honorable peacock. No judge wants to run an inadequate court. No judge wants to harm the boys and girls that he ought to be helping. And so our first step must be education, education of the judges themselves and education of the public. And you are in the best position to do the job.

What can be done?

First, you and I and all others who are involved in this field have got to start arriving at answers instead of asking the same old questions. One of the most discouraging and frustrating aspects of this whole area is the lack of firmly held opinions, the lack of a consensus among informed people as to what ought to be done. These disagreements are manifest here in this hall today.

Certainly you cannot expect the Nation to rally behind a determined, coherent effort if you, the authorities, the juvenile court judges, cannot agree yourselves on any concerted plan of attack.

There is a division among you on many key questions—division as to whether juvenile courts should be governed principally by concepts of criminal law and legal procedure or by social-psychological considerations; whether due process of law must be strictly observed in juvenile court or whether the nature of these proceedings calls for informality and flexibility; whether the juvenile court should conduct its affairs in secrecy or whether the press and public should be permitted to attend and examine and publicize the operations of the court, always assuming that the identity of persons involved would not be made public; whether the jurisdiction of the juvenile court ought to be enlarged or reduced; whether the age limit defining juvenile offenders should be raised or lowered; whether or not petty cases now handled in court could be better handled outside.

Your colleagues on juvenile benches across the Nation, our legislators, our newspapermen and editors, our scholars and social scientists, our police departments, and the American people need your advice and ought to be getting authoritative recommendations from this body.

I see in the growing effectiveness of the National Council of Juvenile Court Judges an increasing hope that you will lead us toward a consensus of opinion on these questions.

I would like to recommend that during the next year or two the National Council of Juvenile Court Judges organize task forces to study specifically the most vital controversial issues which you face; that you present these problems in the form of reports at your annual conferences; that you debate them and vote if necessary. You must resolve these controversies within your own house, for only then will you be able to hasten and accelerate the growth of a unified and reliable set of standards, policies, and rules of procedure for the operation of our juvenile court systems.

Like the Governors' conference or the American Bar Association, the National Council of Juvenile Court Judges must be a leading and unifying force in its respective field and it can be such a force by effectively using the mechanisms available to organizations of this nature. These are the conference, the debate, the resolution, the vote, and the task force or workshop.

A second major undertaking is that of dramatizing to the Nation what we are up against.

There is now a surge of interest in this field. The President has identified juvenile delinquency as a major national problem. The Attorney General has focused the spotlight of attention upon it. The Senate subcommittee on which I serve has for years been bringing this problem before the Nation.

Now is the time for these efforts to be joined by a major effort on the local level by the juvenile court judges themselves. I am asking you, overworked as you are, to add to your present burdens the task of informing the people of your community of the gravity of this problem and of the pitifully inadequate resources you have with which to meet it.

This means for you a weary circuit of public speaking. It means the issuing of public statements. It means the explaining of court proceedings to the public and the press that they might better understand the nature of this work. The public will adequately support only those activities it understands and you have the knowledge, the respect, and the stature to help them to understand.

The third great avenue of attack is legislation, local, State, and national.

This year we are going to have, for the first time, national legislation aimed at attacking deficiencies in our defense against juvenile delinquency. This legislation has already passed the Senate and I am confident that it will be strengthened in the House of Representatives and signed by the President. It will be a beginning toward a truly national effort. It will provide funds for research into the facets of our society that contribute to youth crime, funds for pilot projects and demonstration programs for dealing with juvenile delinquents so that we can find out in some organized way which approaches work and which do not work; funds for the education of scholars in this field, funds for the training of probation officers, of detention home employees, of social workers.

This legislation, of course, is experimental. It is an untried program in an uncertain field. It is a natural target for the attacks of those who like to scoff at "do-gooders." Whether or not this bill succeeds will depend in large measure on the help and cooperation and counsel that you juvenile court judges give to it. You have got to give us the ideas and the critiques for proposals to establish these various projects, research programs, and training courses. You have got to help us to make sure that what we do is practical, down to earth, and effective.

And you have got to lead the effort to have these pilot programs duplicated on the local level where the overwhelming bulk of the fight against juvenile delinquency must be made. Detention homes, study centers, and other rehabilitative institutions must be built. Community programs for youth employment and for the occupation of those young people who drop out of school must be provided. Creative substitutes must be developed by our communities to channel the energies and emotions that are now going into destructive, violent, antisocial acts by an element of our young generation which is obviously frustrated, confused, and seemingly unable to fit into the shifting pattern of American life in the 1960's.

Thus far I have been dealing mainly with ways and means of coping with juvenile delinquency after it has already occurred. This inevitably is our first problem. We are fighting an epidemic that has already struck and it is natural that our principal effort should go into fighting the effects of that epidemic. But a very important part of our problem, perhaps the most important, is the elimination of those corrupting influences which have taken such a heavy toll of our youth. We have got to strike closer to the source.

And those of us on the Senate Subcommittee to Investigate Juvenile Delinquency have been trying to do just that. We are trying to identify and combat those aspects of our society that aid the development of delinquency, those influences that have a corrupting effect on our young people.

We are presently in the midst of an exhaustive inquiry into the effect on our young people of several hours a day of television violence, crime, and depravity.

We are developing legislation to halt the juvenile traffic in the lesser drugs which are the first steps on the road to narcotics addiction.

We are drafting bills to deal with the interstate juvenile traffic in guns, and have already succeeded in obtaining the voluntary support of many of the responsible elements in the production, transportation, and sale of weapons.

We are exploring ways and means of combatting the corrupting and despicable flood of obscene and pornographic literature.

We have undertaken a massive study of the effects of idleness and youth unemployment upon juvenile delinquency. We are in touch with the responsible authorities in every sizable community in the Nation in an attempt to evolve recommendations that will take our young boys and girls off the streets and put them on the road to productive lives.

In all of these activities, we seek the help and advice of you who are in the front lines of this battle.

Our committee exists to help you by the passage of legislation, by the furtherance of research, by the dramatizing of your problems so that the public will understand them.

I like to think of my appearance here today and of the cooperation between the Senate subcommittee and the juvenile court judges over the past year as a symbol and a forerunner of the cooperation and coordination of all levels of our government in mounting a concerted effort to fight this problem.

We are concerned in this convention with the faults and weak spots of our American society. But our concentration on this should not obscure the fact that we in the United States have created and developed the finest and the grandest society ever known to man.

Our people have had a unique success, an unparalleled progress. And that success and progress naturally breed unique and unparalleled problems.

We have transformed the nature of human existence on this planet. We have accomplished a humane but mighty revolution that has put mankind upon a new road toward happiness, fulfillment, and well-being.

This transformation, this revolution, inevitably causes dislocations and maladjustments.

I believe that these faults, these maladjustments are not the portents of a corrupt and failing civilization but rather the

backwash of a rising civilization that is greater than any before it and that will survive and flourish.

Urbanization, television, the automobile, miracle drugs, inexpensive literature, leisure, material prosperity, the growth of civil liberties—all of these things are essential forces for the liberation and improvement of man.

Each of them brings problems. Each of them is subject to abuse and misuse. But these abuses are not the death rattle of our society. They are only its "growing pains."

My faith in our free society is such that I am confident that we have but to recognize this problem and put it before the American people and they will take the necessary action.

Surely we in this incomparable country of ours have the resources, the skills, the knowledge, the money, the energy, and the will to do this job.

Our task, yours and mine, is to mobilize these resources, to guide these skills, to give direction to this energy, to motivate this will.

I have been heartened and encouraged by the activity of all levels of government during the past year and of the progress made by our fine organization of juvenile court judges. I think we can leave this convention with more reason for confidence and optimism than we have felt for many a year. The call for action has at last been sounded loud and clear, and the American people and their government are responding to that call.

Emery L. Frazier

EXTENSION OF REMARKS

OF

HON. JOHN SHERMAN COOPER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, July 14, 1961

Mr. COOPER. Mr. President, I was very much pleased to find that a recent issue of Senator KERR's "KERR-ent Status" was devoted to Mr. Emery L. Frazier, the Chief Clerk of the Senate, for whom all of us have great affection. Mr. Frazier is a native of Kentucky. Formerly he was mayor of Whitesburg, Ky. Kentucky is proud of Emery Frazier.

I am sure that all of us will endorse Senator KERR's recognition of Mr. Frazier's fine human qualities and remarkable ability as an officer of the Senate.

I am very happy to be able to request that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATESIDE SCENE

When the roll is called out yonder, Frazier's there in the middle of it all. "A-l-a-b-a-m-a" booms the distinctive voice of the Senate's Chief Clerk, Emery L. Frazier, during dramatic rollcalls at the Democratic national convention each and every 4 years. He's been polling the States for more conventions than he likes to admit, and a whole generation of radio listeners and TV lookers associate him as a part of the podium proceedings. He's had more television exposure than Howdy Doody and Maverick.

Actually, the Chief Clerk is on a temporary assignment here. He ran the Kentucky Legislature with such skill that a Senator by the name of Barkley asked him to spend a session in Washington. That was in 1933. He's been around ever since handling legislation on the floor, calling rolls, and supervising the complex duties of the other clerks in the Secretary of the Senate's office and overseeing other activities under the Secretary.

Despite his resounding resonance during readings and rollcalls, Emery Frazier is a quiet, soft-spoken man who loves to just visit and to work with choice woods. He likes to collect rare or historic timber and make something from it. The stately Senate desks are his primary hobby, and he has compiled a complex history of them all.

Frazier must have been born during an election, for he has been surrounded by politics and the men who practice it all his life. In his old Kentucky home they had bitter elections and if a man couldn't beat an opponent at the polls he'd simply shoot him out of office. It was unsportsmanlike, but effective.

The Chief Clerk is a great conservationist of Senate treasures. He has rescued scores of old objects that might have become kindling. He cherishes ancient Senate records and collects rare books on history. His tastes run to the genuine, the solid, the substantial. He had a field day when the Chamber was remodeled in 1950 and workmen ripped treasured materials from the historic room. Frazier's desk area resembled a junior-sized lumber yard. Since the first and last Presiding Officer who used the furniture were Kentuckians, the original equipment now is preserved in the capitol at Frankfort.

About 100 Senators hope Frazier's temporary stay here is extended indefinitely. They like to hear him call "Mr. AIKEN, Mr. ALLOTT" each day, and "A-r-k-a-n-s-a-s, A-r-i-z-o-n-a" every fourth year.

Captive Nations Week

EXTENSION OF REMARKS

OF

HON. ROMAN L. HRUSKA

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, July 14, 1961

Mr. HRUSKA. Mr. President, the coming week, July 16 through July 22, is of special significance to the American people and freedom-loving people throughout the world. The third week in July of each year has by resolution of Congress been set aside for the observance of Captive Nations Week.

In a joint resolution approved on July 17, 1959, and enacted as Public Law 86–90, the Congress has authorized and requested the President to—

> Issue a proclamation designating the third week in July 1959 as Captive Nations Week and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Congress has thus sensed the importance of focusing the attention of the free world upon the plight of the captive nations. The compelling reasons which prompted it to take this action are pointed out in the body of the resolution.

The resolution recites the fact that the "imperialistic policies of Communist Russia have led through direct and indirect aggression to the subjugation of the national independence" of 22 countries. The countries listed are Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, and North Vietnam.

The resolution further recites that "since 1918 the imperialistic and aggressive polices of Russian communism have resulted in the creation of a vast empire which poses a dire threat to security of the United States and of all the free peoples of the world." It reminds us that "these submerged nations look to the United States, as the citadel of freedom, for leadership in bringing about their liberation and independence."

These are not reckless statements, Mr. President. They cannot be discounted as exaggerated emotional charges of irresponsible alarmists. This is the Congress of the United States speaking the cold, hard, unpleasant truth. We must never forget it. The observance of "Captive Nations Week" helps us not to forget it.

Public Law 86–90 states the case for some 900 million people who are now captives of the Communist Empire. It reminds us that any apathy we may display would mean their despair. Their despair means the loss of 900 million silent allies.

Mr. President, we now have 40 years of experience to guide us if we have any doubts about Communist Russia's aggressive, imperialistic intentions. By 1921 the Bolsheviks had already crushed the independence of Ukraine, White Ruthenia, Armenia, Georgia, Idel-Ural, Cossackia, and Turkestan. In 1939 Lithuania, Latvia, and Estonia were overrun.

Following World War II Poland, Hungary, Czechoslovakia, Rumania, Bulgaria, and Albania were pulled behind the Iron Curtain. The mainland of China was next, and in 1948 some 700 million Chinese were placed under the Communist yoke.

Then came East Germany, North Korea, Tibet, and North Vietnam, and we can now add Cuba to the list.

Mr. President, at no time in history has so much misery and oppression been packed into so few years. Never has there been such a systematic, determined, and ruthless suppression of human freedom.

But, if nothing else, these shameful years furnish us our lessons for the future. And as we approach the challenges of the future, we know that human nature is on our side. Man has an inborn desire to be free. His freedom can be suppressed, but his desire to regain it cannot.

We also know, however, that man's desire for freedom will soon turn to frustration unless he has hope. The captive peoples must have reason to hope. They must know that although they have been silenced, they have not

been forgotten. They must know that they will not be abandoned for the sake of the status quo and so-called peaceful coexistence.

So long as there is a spark of hope there is a spark of resistance, and that resistance, whether it be real or potential, means a help to assure our security.

In 1959 and 1960, Public Law 86–90 was implemented by a Presidential Proclamation designating Captive Nations Week and inviting the American people to participate in its observance. I hope the President will again add the dignity of his Office to the occasion this year, especially in view of some of the more recent world events. On July 11, I sent a letter to the President urging him to do so.

I ask unanimous consent that a copy of the letter be printed in the RECORD, together with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
July 11, 1961.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I write to urge that a proclamation be issued again this year designating the third week in July as Captive Nations Week.

You are well aware of the plight of the millions of people behind the Iron Curtain and the need for preserving and strengthening their desire for freedom. I won't belabor the obvious.

The annual observance of Captive Nations Week can be an effective means of rekindling hope and reassuring the victims of Communist oppression that they will not be forgotten. I hope you will see fit to set aside the coming week for the rededication of the American people to the cause of freedom in those countries where it is now denied.

Respectfully yours,

ROMAN L. HRUSKA,
U.S. Senator of Nebraska.