Commission, the agency which would administer the plant.

This, again, is an untrue statement. Some of the members of the Joint Committee endorse this project, but there is also a sizable number of the Joint Committee members who are vigorously opposed to it.

The editorial concluded:

For these reasons, we hope that Mr. HALLECK's maneuver will be rejected by the Rules Committee, and that Congress will have an opportunity to make the Hanford plant more than a factory for destructive weapons.

Mr. Speaker, in light of the sham battle which the Washington Post editorial attempts to purvey, I sincerely hope the large majority of the Members of the House of Representatives reject forthrightly the opinions expressed by that editorial. We should stand foursquare with the gentleman from Indiana [Mr. HALLECK] in his sincere effort to assure that we have the proper opportunity to express again the will and determination of this body to delete the Hanford steamplant from the AEC authorization bill; and, thereby, save the taxpayers of this Nation almost $120 million for more vital purposes.

[From the Montana Standard-Post, Butte, Mont., July 24, 1961]

SOCIALISM, NOT ELECTRICITY, SEEN AS BYPRODUCT

The question of whether electric power will be generated as a byproduct at a plutonium plant at Hanford, Wash., being built by the Atomic Energy Commission will be settled by a conference between the Senate and House, the Senate having approved the idea while the House rejected it.

Because Democrats will dominate the Joint Committee, it has been predicted that the measure which calls for an expenditure of an extra $95 million will win approval.

But, meanwhile, let us in our mild way register an objection.

We might be in favor of it if we knew all about it or if we could even find out all about it. But we can't. Neither can anybody else. So much of the project is hidden by secrecy that it is not possible to make a clear judgment.

It is argued that sufficient heat to make 800 kilowatt-hours of electricity will be generated in the process of manufacturing plutonium out of uranium. It is enough electricity to serve a city of a million people. But how is anyone to know whether or not this is the most efficient use of the heat? It is said that otherwise the heat will be wasted. But how do we know?

It is impossible to get meaningful cost statistics, so no one excepting a few Government functionaries would know how much the electricity is costing.

We do not know whether the most important factor is politics, economics, defense, or what. There was a strong suspicion among House Members that the most important factor was political, so the Members of that body defeated the proposal to hook on electrical generators to the $145 million reactor.

If the dominant factor is politics, then it is the old scheme by Fabian Socialists to capture or control the power of the Nation in order to implement their Socialist desires. It worked in the United Kingdom. Their motto is: "If you control the nation's power you control the nation."

This part of the argument deserves more than cursory consideration.

A project as steeped in secrecy as this one would be an ideal vehicle for Socialist plotters. Working behind a screen, they could have the country in their grip without anyone knowing about it until they sprung their trap.

But are we not making the plutonium in the first place to protect ourselves against just such a contingency?

So is not socialism the real byproduct, and not electricity?

SENATE

FRIDAY, AUGUST 4, 1961

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

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

This day, O Master, let us walk with Thee. Teach us Thy patience. Help us to learn more and more to live by the faith that life's true values are spiritual and are expressed in our daily contacts, by character unsullied, and kindness, cheerfulness, humility, and compassion. In Thy light may we see clearly that the chief issues we face lie deeper far than human praise or blame and have to do with life's meaning and purpose and ultimate goals.

God, the all righteous One.
Man hath defied Thee;
Yet to eternity, standeth Thy word;
Falsehood and wrong shall not tarry
beside Thee;
Give to us peace in our time, O Lord.

Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 3, 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. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, with an amendment, in which it requested the concurrence of the Senate.

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

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate Committee on the District of Columbia; the Subcommittee on Aviation of the Committee on Commerce; and the Committee on Commerce were authorized to meet during the session of the Senate today.

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, beginning with the new reports.

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

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar, beginning with the new reports, will be stated.

POST OFFICE DEPARTMENT

The Chief Clerk read the nomination of William J. Hartigan, of Massachusetts, to be an Assistant Postmaster General.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

The Chief Clerk read the nomination of John E. Cosgrove, of Maryland, to be an Assistant Director of the Office of Civil and Defense Mobilization.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

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

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

ARMY NOMINATIONS PLACED ON THE SECRETARY'S DESK

The Chief Clerk proceeded to read sundry nominations in the Army which had been placed on the Secretary's desk.

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

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

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

The PRESIDENT pro tempore. 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.

AIRPLANE HIJACKINGS

Mr. DIRKSEN. Mr. President, how quickly the fiasco of tractors for freedom, with all its inanities, has been forgotten and the money returned to the donors; and how quickly the plane hijacking on May 1, 1961, over the Florida Keys has become a bit of dull history; and how quickly the hijacking job on July 24 has been erased from memory by swift-moving events; and how quickly the latest adventure at El Paso will be swallowed up in time's swift current. What a tribute to our capacity for forgetting—or is "ignoring" a better word?

The accounts of what happened are simple—in fact, far too simple. It was simply a gay car salesman and his son, with petty crime as a sideline, and a great urge to go to Cuba, who thought hijacking a $3,500,000 plane, with 73 persons aboard, was the simplest way to get a free one-way trip to Cuba. Well, Mr. President, how perfectly disarming! Snatching a purse or crashing a jeweler's window or stealing a car would have been so much simpler and devoid of risk. Even a crook responds to the most impelling of all urges; namely, the desire to live.

Some questions are in order: Does a two-bit, petty criminal, who at great risk hijacks a jetliner with 73 persons aboard, do so without the very strongest of incentives? Did they pick out Havana, instead of Mexico City or Guatemala City, unless they expected a safe haven without fear of extradition? Was his visit to the Cuban Embassy in Mexico City, 8 months ago, mere happenstance; or did he go there to practice his Spanish with the Ambassador, or to sell him a new Thunderbird?

Are three hijacking efforts in the last 2 months, with Havana as the destination, unrelated and do they indicate no conspiratorial pattern stemming from Cuba? Do the actors have to be Cubans to serve the Castro apparatus?

One look at the files of the Internal Security Subcommittee of the Senate, of which I am a member, will quickly disclose the number of non-Cubans in this country who are giving aid, comfort, and encouragement to Castro, including the defecting radio announcer who, somehow, escaped the committee's subpena. Is anyone so naive as to believe that Cuban intelligence is not working diligently in the United States, or that this inspired pattern of Communist criminality will stop, since a Communist oasis exists but 90 miles from Miami?

With the grip of a single-party police state so firmly upon Cuba now, does anyone embrace the hope or the belief that the same brutal techniques of barbarity, subversion, liquidation, violence, deceit, and penetration will not continue on an even larger scale?

Is the lesson of other American adventurers behind the Iron Curtain lost upon us, and that to achieve the Cuban curtain is now infinitely easier?

This simple, unadorned hijacking story of a $3½ million jetliner is just a little too hard to swallow. Never in the history of commercial aviation, except in the case of a drunk or drug addict, has such a serious or fantastic adventure taken place. Not until Castro put the manacles of the police state upon Cuba, aided by the diabolical brains of Soviet Reds and Chinese Reds, have we ever been confronted with such an unparalleled situation.

But Castro is doing business. He rated a visit by Gagarin, the Soviet Red space hero. This Communist-riddled base, just a few hundred miles from industrial and military targets, is a reality. This stark menace is real. Its infection is spreading.

Meanwhile we pursue a Fabian policy, in the chimerical hope that something might happen to bring collapse from within. Since 1917 we have entertained a similar hope about Communist Russia. But instead of collapse, she has become the most powerful, ruthless, and unrelenting foe in all the world.

To crown our folly, it has even been suggested that armed guards ride American planes as they fly over American soil, between American cities. How silly can we be? It is difficult to imagine a more fantastic, intolerable situation than this.

The PRESIDENT pro tempore. The time of the Senator from Illinois, under the 3-minute limitation, has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Illinois may proceed for an additional minute.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, how long shall this deadly epidemic go on? Perhaps we prefer the dawdling, unrelenting chess game in Laos, 12,000 miles away, rather than some purposeful poker only 90 miles from Miami.

Mr. MANSFIELD. Mr. President, I have listened with a great deal of interest to what the distinguished minority leader has had to say. I would agree with him that the hijacking of the Continental jetplane, in El Paso, was fantastic.

However, I would point out that, so far as I can ascertain, the President has been in constant touch with the situation, and detailed the FBI and the border patrol to see that the plane did not escape from American soil, and that it was held, no matter at what cost.

Then it was found that, instead of being abductors or kidnapers or hijackers from Cuba, they were American citizens from the State of Arizona. I do not know whether or not the story about one of the kidnapers making a trip to Mexico City and visiting the Cuban Ambassador there is correct. I would assume the story is true. But I do not believe he went down there to learn Spanish or to sell the Cuban Ambassador in Mexico a Thunderbird. It appears to me what happened was a case of deliberate piracy in the air. I was happy to note yesterday that the distinguished Senator from New Hampshire [Mr. BRIDGES], the distinguished Senator from Texas [Mr. YARBOROUGH], the distinguished Senator from California [Mr. ENGLE], and other Members of this body proposed legislation seeking to bring incidents of this kind under strict control.

I can find no fault with Mr. Halaby, Administrator of the FAA, for giving authority to American airlines to arm members of the crews of planes with sidearms. In a sense, it is a return to the Old West, when we used to have shotgun guards riding the stagecoaches for the protection of the drivers, also armed, and, most importantly, the passengers riding the stagecoaches. I think the administration was "on top" of this matter. I think the President did everything he possibly could do to keep it under control. I think the FBI and the border patrol are entitled to great commendation.

I am hopeful that, out of this unsavory and unhappy incident, there will come legislation which will impose long terms of imprisonment, and fines of sufficient magnitude; and that something will be done about installing radar or sonic or other kinds of devices, by means of which there can be detected passengers who are carrying arms of any kind, just as I assume they are being canvassed now for the carrying of bombs and the like. So perhaps out of this sorry episode will come something in the way of good measures to take care of similar incidents.

It is true, in my opinion, that what started in Florida as the hijacking of an American plane flying, I believe, for the

Eastern Air Lines, has developed in the El Paso incident seemingly in the same pattern.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the majority leader may have 2 additional minutes.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. I should like to make the suggestion that I do not know that I will be in an easy frame of mind if I know the pilot and copilot and the navigator and engineer in a large airliner have .45's strapped to the hip, anticipating difficulty. I do not think it is going to add to their ease of mind, for one thing, and it is not going to convey any composure to the passengers.

I emphasize what an amazing thing it is that a plane flying from El Paso to Los Angeles, or vice versa, or to Miami, or Atlanta, has to have armed crews, when those airplanes are flying over our own terrain, in order to forestall situations of this kind.

Finally, I merely want to emphasize the fact that I am one of those who do not swallow the very simple explanation of the incident and accept the statement that it has no identity with the festering sore located just 90 miles from our mainland.

Mr. MANSFIELD. Mr. President, in response to the statement just made by the distinguished minority leader, I merely wish to say that, insofar as the carrying of sidearms is concerned, as I understood Administrator Halaby's suggestion, it was purely a suggestion, and it would be discretionary with the American companies running the airline business. They could do it or not, as they desired. But may I point out that, insofar as domestic transportation is concerned, not only did we have guards with shotguns riding on the stagecoaches in the early days of the West—and not so many years ago, by the way—but also, if my memory serves me correctly, we detached marines to man the mail trains in the early thirties because of the number of robberies that were being committed. Again I am speaking from memory. So the use of armed guards for domestic transportation is nothing new. Certainly, the suggestion by Administrator Halaby was, I believe, made in good faith, with good intentions, seeking to bring about the right kind of protection for passengers who are unwittingly involved in incidents of this kind.

Mr. DIRKSEN. If my distinguished friend will yield, I have only one difficulty there, and that is, how to reconcile a jet airliner with the old frontier.

Mr. MANSFIELD. They both involve modes of transportation; do they not? They both relate to the transportation of passengers. The jet airliner, of course, represents the new frontier; but some times the new and the old frontiers are not too far apart.

Mr. BENNETT. Mr. President, the colloquy to which we have just listened gives added point to an editorial that appeared in the Wall Street Journal on the 26th of July, entitled "Hijacking," and I ask unanimous consent to have it printed in the RECORD.

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

HIJACKING

Now we see where the United States has sent a note asking the Cuban Government to return the airplane hijacked the other day and flown over to Havana. But if we were Fidel Castro, we don't know that we'd bother.

How many years has it been now since the United States has really made any forceful protests when foreign governments, not just in Cuba but all over the world, have quietly taken unto themselves the private property of Americans?

True, the takers have not always been so blatantly lawless as the man who put a pistol point at the head of the Eastern Air Lines pilot. Indeed, the hijacking has quite often been obscured by the majesty of "laws" which with due process enabled the governments themselves to be the takers. But the list of American private property thus "nationalized" by foreign governments over the years is almost endless.

Mr. Castro himself has quite a list. A turboprop Electra is a valuable piece of property, but it is nothing compared to the value of the sugar farms and mills, the industrial plants and the banks that the Castro government has nationalized; i.e., taken away from their rightful owners.

And before anyone leaps up to say that the United States has protested these doings of the Castro government, he might reflect that the indignation came after it became quite clear that the Castro government was doing other nefarious things also. The mere act of taking, if it be called nationalization, no longer makes the U.S. Government indignant. You have to go back a long way before you find a U.S. Government ready to say "You can't do that" and prepared to take any forceful action to see that the property of Americans was protected.

If anything, our Government has displayed a bias in favor of nationalization, especially in underdeveloped countries, like Cuba. We have lent both money and encouragement to help these countries develop a socialized economy. And if this has meant nationalization of private property, some of it American—well, that's just too bad. Foreign private property in a country is just exploitation anyway, robbing the Mexicans or whomever of those oil wells, or whatever, that ought to belong to the people.

Indeed, the atmosphere of Washington these days is full of doubts whether private property is a good thing at all. It's the public sector of the economy that needs to get bigger; it's the private sector that needs to be diminished. So if the Government has to confiscate a little more by taxation, who should stand up and defend the rights of private persons to their private property?

We are as well aware as anyone that all this seems a different order of things from putting a pistol point at a man's head and snatching a purse. Still, how do we protest the hijacking of an airplane when the taking over of a whole airline industry would leave us silent?

So if we were Mr. Castro we think we'd just pass a law and nationalize that Electra. The secret of being a brigand, these socialized days, is to be a big one.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON PERSONAL AND REAL PROPERTY RECEIVED BY OR DISPOSED OF TO PUBLIC HEALTH AND EDUCATIONAL INSTITUTIONS

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal and real property received by or disposed of to public health and educational institutions, for the period April 1 through June 30, 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF RESERVATION OF ARMY EXCESS MATERIAL FOR MILITARY ASSISTANCE PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a review of the reservation of Army excess material for the military assistance program, dated July 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON GRANTS UNDER PUBLIC LAW 85-934

A letter from the Director, Central Intelligence Agency, Washington, D.C., reporting, pursuant to law, on grants made under authority of Public Law 85-934; to the Committee on Government Operations.

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 Chan Chew Kwan, together with a statement of the facts and pertinent provisions of law as to the alien, together with reason for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE 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 granting the application for permanent residence filed by Feiga Altmann Rock, together with a statement of the facts and pertinent provisions of law as to the subject and the reasons for granting the application (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

Two resolutions adopted by the midwestern regional conference of the Council of State Governments, at Rapid City, S. Dak., favoring the establishment of a midwestern agriculture committee in that council, and favoring a plan for agricultural products utilization; to the Committee on Agriculture and Forestry.

Two resolutions adopted by the midwestern regional conference of the Council of State Governments, at Rapid City, S. Dak., relating to highway safety compacts, and billboard regulation on the Federal highway system; to the Committee on Commerce.

Three resolutions adopted by the midwestern regional conference of the council of State Governments, at Rapid City, S. Dak., relating to inheritance, estate and gift taxes, Federal income-tax credit for educational programs, and social welfare programs; to the Committee on Finance.

A resolution adopted by the midwestern regional conference of the Council of State Governments, at Rapid City, S. Dak., favoring the enactment of legislation to provide Federal health grants; to the Committee on Labor and Public Welfare.

A resolution signed by Eishin Kaneshiro, mayor, Gushikawa Son, Seitoku Tomegawa, chairman, Gushikawa Son Assembly, and Josei Omine, chief, Gushikawa Son Land Committee, of the Ryukyu Islands, expressing thanks for the introduction of the Ryukyuan pre-peace treaty claims payment bill; to the Committee on Foreign Relations.

CONCURRENT RESOLUTION OF OKLAHOMA LEGISLATURE

Mr. KERR. Mr. President, I ask unanimous consent to have printed in the RECORD a concurrent resolution of the Legislature of the State of Oklahoma, favoring the establishment of a water pollution research center within the State of Oklahoma.

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

ENROLLED SENATE CONCURRENT RESOLUTION 55

Resolution relating to water pollution research centers; requesting the Oklahoma congressional delegation to support the establishment of such a research center by the Federal Government within the State of Oklahoma

Whereas the U.S. Congress has recently enacted legislation authorizing the establishment of water pollution research centers at five locations throughout the United States; and

Whereas the problem involved in conserving and purifying water has long been a subject of paramount interest to the people of Oklahoma; and

Whereas the mineral salts located in the soil of Oklahoma, the drilling activity of the petroleum industry, and the growth of population within the State of Oklahoma have all given reason for concern by the people, business concerns, and the State government, resulting in an advanced program of research and development of various water pollution preventive policies and practices; and

Whereas State and private institutions of higher education, research centers, and private corporations have all actively cooperated to resolve the various problems encountered in the control of water pollution; and

Whereas the Oklahoma State Health Department has long conducted a study of water pollution and has obtained equipment designed for the purpose of revealing pollution of matter by radiation; and

Whereas the institution of higher education in Oklahoma has entered into an exchange plan with the Massachusetts Institute of Technology, thereby making the staff and facilities of this world-famous scientific institution available for research studies by scientists and students in Oklahoma: Now, therefore, be it

Resolved by the Senate of the 28th session of the Oklahoma Legislature (the House of Representatives concurring therein):

SECTION 1. That the Oklahoma congressional delegation of the U.S. Congress be requested to encourage the Department of Health, Education, and Welfare of the Federal Government to cause to be located within the State of Oklahoma one of the water pollution research centers authorized to be established by recent legislation of the U.S. Congress.

SEC. 2. That duly authenticated copies of this resolution be prepared and forwarded to each member of the Oklahoma congressional delegation and to the Secretary of the Department of Health, Education, and Welfare of the Federal Government.

Adopted by the senate the 28th day of July 1961.

BOYD COWDEN,
Acting President of the Senate.

Adopted by the house of representatives the 28th day of July 1961.

J. D. MCCARTY,
Speaker of the House of Representatives.

Attest:

LEO WINTERS,
Secretary of the Senate.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

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

S. 1606. A bill to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act (Rept. No. 664); and

S. 1607. A bill to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission (Rept. No. 663).

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

S. 1595. A bill to amend the Natural Gas Act to give the Federal Power Commission authority to suspend changes in rate schedules covering sales for resale for industrial use only (Rept. No. 665); and

S. 2187. A bill to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954 (Rept. No. 666).

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. BEALL:

S. 2378. A bill to provide for the conveyance of certain real property of the United States to the State of Maryland; to the Committee on Armed Services.

By Mr. HUMPHREY:

S. 2379. A bill for the relief of Dr. Shaoul G. S. Shashoua; to the Committee on the Judiciary.

S. 2380. A bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose; to the Committee on Foreign Relations.

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

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

S. 2381. A bill to provide flood control on the Big South Fork, Cumberland River Basin; to the Committee on Public Works.

By Mr. MONRONEY (for himself, Mr. HAYDEN, Mr. MANSFIELD, Mr. CLARK, Mr. RANDOLPH, Mrs. NEUBERGER, Mr. MUSKIE, and Mr. GRUENING):

S. 2382. A bill to adjust postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

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

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

S.J. Res. 123. Joint resolution to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives; to the Committee on the Judiciary.

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

RESOLUTIONS

COMMENDATION OF JOHN EDGAR HOOVER, DIRECTOR OF FEDERAL BUREAU OF INVESTIGATION

Mr. DIRKSEN (for himself and Mr. MANSFIELD) submitted an original resolution (S. Res. 190) highly commending John Edgar Hoover for his devoted and effective service to the Nation as Director of the Federal Bureau of Investigation, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. DIRKSEN, which appears under a separate heading.)

USE OF MILITARY PERSONNEL AND FACILITIES TO AROUSE THE PUBLIC TO THE MENACE OF THE COLD WAR

Mr. THURMOND submitted a resolution (S. Res. 191) to authorize the Committee on Armed Services to study use of military personnel and facilities to arouse the public to the menace of the cold war, which was referred to the Committee on Armed Services.

(See the above resolution printed in full when submitted by Mr. THURMOND, which appears under a separate heading.)

PHILIPPINE WAR DAMAGE COMMISSION

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to authorize payment of the balance in full of awards for war damage made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946.

As a member of the Senate Foreign Relations Committee and after much careful study I have come to the conclusion that Congress should consider and review the Philippine unpaid war damage claims.

PHILIPPINE REHABILITATION ACT OF 1946

The original Philippine Rehabilitation Act of 1946 provided for the payment of claims for war damages in the Philippines. Under title I of this act the Philippine War Damage Commission was established to receive and adjudicate claims for loss or destruction of or damage to property in the Philippines during World War II resulting generally from World War II; $400 million was appropriated to carry out this title, from which the administrative expenses of the Commission were to be paid.

In settling claims, the law required the Commission to utilize replacement cost or actual cash value at the time of the loss, whichever was lower. In 1946–47 the replacement values were approximately three times the value in 1940.

The 1946 act required that where the aggregate amount of claims payable to any one claimant exceeded $500 the amount approved in favor of the claimant would not exceed 75 percent of the excess over $500. Claims of less than $500 were paid in full. The $400 million appropriated to carry out the 1946 act made it possible for the Commission to pay claimants with awards over $500 a sum equal to 52.5 percent of the 75 percent which they were authorized to receive. This bill will make it possible to pay the claimants the remaining 22.5 percent due them under the terms of the 1946 act.

When the original legislation was being considered it was impossible to determine the extent of the damage in the Philippines. The war had recently terminated and no reasonable estimates could be ascertained. An authorization of $400 million appropriated funds was a conservative estimate at the time. During committee consideration and debate on the floor it was stated that an additional appropriation would probably be required to discharge the obligation in full.

The disproportion between the amount of the original authorization of funds and the total of the actual damage incurred in the Philippines became evident after the first half million claims were processed and adjudicated. Legislative efforts in 1949 and 1950 for a supplemental appropriation to pay the remaining war damage claims were deferred pending the preparation and consideration by the War Claims Commission, created under the War Claims Act of 1948, of a report on all claims arising out of World War II. At the outbreak of hostilities in Korea in 1950 legislation concerning further consideration of the payment of claims was suspended.

The Commission completed its work in 1951. After its dissolution, the records of the Commission were turned over to the Treasury Department, in whose custody they remain. Although bills have been introduced in the intervening Congresses for the fulfillment of our obligation under the 1946 act, these were not given active consideration until 1959.

As to the methods and techniques for accomplishing the payment of the unpaid balances, the Foreign Claims Settlement Commission, a U.S. agency which has the personnel and experience to perform this function efficiently and economically, will administer the provisions of this bill.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be received and appropriately referred.

The bill (S. 2380) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

POSTAGE REVISION ACT OF 1961

Mr. MONRONEY. Mr. President, in his report to the American people on the situation in Berlin the President took occasion to remind the Congress of the responsibility which is imposed on it by the increased expenditure for military defense required by the worsening international situation. The President indicated, I believe wisely, that a general tax increase is neither necessary nor desirable at this time. However, he pointed out that it was urgently necessary for the Congress to provide the additional revenues which he has recommended through adjustments in the tax laws and increases in postal rates.

There is, of course, no direct relationship between rising defense costs and postal rates. But there is a direct relationship between postal rates and the postal deficit, and the latter constitutes an unnecessary drain on the Treasury at the very time it is subject to the even greater drain of increased defense expenditure. Any move to reduce the postal deficit makes available additional revenues to defray military costs without a general tax increase.

As chairman of the Subcommittee on Postal Affairs of the Senate Committee on Post Office and Civil Service, I can no longer justify to my conscience our failure to give responsible consideration to the President's request for an increase in postal rates. I cannot justify voting for a bill to call up members of the Reserve and National Guard and yet contend that those of us not called upon to make this sacrifice cannot afford to pay another penny to mail a letter, or to have publishers of magazines pay a higher rate, or to have the third-class users pay a higher rate.

Early in this session the Post Office Department forwarded, and subsequently the Senator from New Jersey [Mr. WILLIAMS] and others introduced at the President's request, the bill, S. 1812, which had been prepared by the Eisenhower administration prior to the change of government. Many of us who have been concerned with postal affairs over the years were critical of this bill, as we had been of earlier versions, because it did not recognize that a substantial portion of the postal deficit was incurred in providing public services which Congress had imposed upon the Post Office Department by statute, and which were not properly chargeable to users of the mails and recovered in postal rates. Subsequently, the administration has submitted a revised version of this bill recognizing that a larger share of postal costs is properly attributable to public service and designed to produce added revenues of $591 million as compared to $741 million under the original bill. The revised proposal was introduced in the House by Mr. HENDERSON as H.R. 7927.

Those of us in the Senate have, of course, been able to explain our inaction on the basis that this is a revenue-producing measure which must originate in the House, and that any action in the Senate is premature. While it is necessary that we ultimately act on a House bill, one is now pending before the House Committee on Post Office and Civil Service following hearings.

The facts are that House action has been postponed because members of the House committee have been advised that there is no possibility that hearings will be held on a postal rate increase in the Senate this year. There is no reason why the Senate committee should not hold hearings on the administration proposal and every reason why we should do so and be prepared to act quickly in the event a bill can be passed in the House. There is no reason to assume that the members of the House of Representatives will be any less responsive to the new conditions created by the defense emergency than would the Members of the Senate.

Mr. President, whether it is popular or not, this is a responsible recommendation by the President of the United States to increase the revenues of the Federal Government in the face of rising and unexpected expenditures. It deserves the careful and immediate consideration of the appropriate committee of the Senate. I am not familiar in any detail with the technical provisions of this bill. It is quite possible that the Congress will conclude that it does not fairly distribute the burden of the increase among the various classes of mail users, but these are matters which can be adjusted after hearings on the measure. The fact that some inequities exist is no excuse to refuse to act on the proposal at all rather than correct the inequities.

Mr. President, I introduce a bill to adjust postal rates and for other purposes. It is the revised bill recommended by the President and is identical to H.R. 7927.

The bill is sponsored by myself, the chairman of the Committee on Appropriations, the distinguished Senator from Arizona [Mr. HAYDEN], the majority leader, the Senator from Montana [Mr. MANSFIELD], the Senator from Pennsylvania [Mr. CLARK], the Senator from West Virginia [Mr. RANDOLPH], and members of the Post Office and Civil Service Committee, being the Senator from Oregon [Mrs. NEUBERGER], the Senator from Maine [Mr. MUSKIE], and the Senator from Alaska [Mr. GRUENING].

I ask unanimous consent to have printed at this point in the RECORD the bill recommended by the President of the United States, and also some explanatory material.

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

The bill (S. 2382) to adjust postal rates, and for other purposes, introduced by Mr. MONRONEY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1961".

POSTAL POLICY

SEC. 2. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before April 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 5. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b)(1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"[IN CENTS]"; and

(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after January 1, 1962, and before January 1, 1963; and 1 cent, effective on and after January 1, 1963."

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 6. (a) Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. Minimum postage for second-class mail

"The minimum rate for each individually addressed copy of a publication of a qualified nonprofit organization and for each individually addressed copy of a classroom publication, mailed for delivery within or beyond the county of publication, is ⅛ cent. The minimum rate for each individually addressed copy of a publication (other than a publication of a qualified nonprofit organization or a classroom publication) mailed before January 1, 1962, for delivery within or beyond the county of publication is ½ cent."

(b) The analysis of chapter 63 of title 39, United States Code, is amended by deleting

"4360. Minimum postage."

and inserting in lieu thereof

"4360. Minimum postage for second class mail.".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out "1 cent" and inserting in lieu thereof "3 cents".

THIRD-CLASS MAIL

SEC. 8. (a) Section 4451(a) of title 39, United States Code, is amended, effective on the date of enactment of this Act—

(1) by striking out the word "and" at the end of paragraph (2) thereof;

(2) by striking out the period at the end of paragraph (3) thereof and inserting in lieu of such period a semicolon and the word "and"; and

(3) by adding immediately below such paragraph (3) a new paragraph (4), as follows:

"(4) not mailed during the period December 15 to December 25, inclusive, of each year.".

(b) Section 4452 of title 39, United States Code is amended—

(1) by amending the table in subsection (a) to read as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants—		
(i) Qualified nonprofit organizations	10	Each pound or fraction thereof.
(ii) Others	12	Do.
(B) Other matter	16	Do."

(2) by amending the table in subsection (b) to read as follows:

"Mailed by—	(*In cents*)
Other than qualified nonprofit organizations	3
Qualified nonprofit organizations	1¼";

and

(3) by striking out "six cents" in subsection (c) and inserting in lieu thereof "four and one-half cents".

EDUCATIONAL AND LIBRARY MATERIALS

SEC 9. Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to reads as follows:

"(5) sound recordings;";

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 10. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85-426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

EFFECTIVE DATES

SEC. 11. Except as otherwise provided in this Act, the provisions of this Act shall become effective as follows:

(1) Sections 1, 2, 6, 8(a), 9, 10, and this section shall become effective on the date of enactment of this Act.

(2) Sections 3 and 4, and the rate adjustments provided for individual pieces by section 8(b), shall become effective on October 1, 1961.

(3) Sections 5 and 7, and the rate adjustments (other than the rate adjustments for individual pieces) provided by section 8(b), shall become effective on January 1, 1962.

The explanatory material presented by Mr. MONRONEY is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., August 4, 1961.

THE PRESIDENT OF THE SENATE,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: On April 14, 1961, I submitted to the Congress proposed legislation for postal rate revision and for other purposes.

Since that date hearings held on this proposed legislation by the House Post Office and Civil Service Committee have clarified a number of issues. As a result of this clarification revised rate legislation was introduced. This revised proposal, submitted to the House of Representatives as H.R. 7927, has been endorsed by this administration. A copy of H.R. 7927 is attached.

I am submitting this bill as a substitute for my earlier proposal and urge the Senate to give it prompt and favorable attention.

H.R. 7927 provides a revised procedure for determining the costs of public services, which are to be excluded for the purposes of postal rate requirements. Under this bill we estimate public service costs in 1962 will be $235 million. The earlier proposal to the Senate was based on an assumption of $63 million of public service costs, as determined by the previous administration.

Because of the proposed increase in the amount set aside for public services, the requirement for increased postal revenue is correspondingly reduced. H.R. 7927 calls for revenue increases estimated to yield up to $591 million at an annual rate, as compared with the earlier proposal that called for increases estimated to yield $741 million.

H.R. 7927 provides for certain staggered increases until January 1, 1963. Using the effective dates provided in H.R. 7927, additional estimated revenues in fiscal year 1962 will be $390 million; fiscal year 1963, $582 million; and in fiscal year 1964, $591 million. These projections are based on 1962 estimated volume.

Using cost estimates based on present wage rates and other cost elements, the proposed public service allowances and rate revisions will enable the postal service to balance its costs and revenues by fiscal year 1963.

Our review of H.R. 7927 and our principal comments were reported to the chairman, House Committee on Post Office and Civil Service, as follows:

"The subject bill would modify the Postal Policy Act (now 39 U.S.C. 2303) as follows:

"(a) It deletes from the present list of public services the 'loss resulting from the operation of such prime and necessary public services as the star route system and third- and fourth-class post offices.' (39 U.S.C. 2303(a)(2)).

"(b) For the enumerated public services, 'loss' or 'total loss' would be the excess of their allocated costs over revenues.

"(c) By April 1 of each fiscal year, the Postmaster General would be required to estimate the public-service losses for that year and the corresponding amount would then be deducted from the total costs of the Department for purposes of adjusting postal rates and fees.

"The Department endorses these changes for the following major reasons:

"(a) They would facilitate compliance with the Postal Policy Act (39 U.S.C. 2302(c)(4)) by recognizing total losses on public services before balancing costs and revenues. In the past 3 years, fulfillment of the financial objectives of the Postal Policy Act has been hampered because of differences in the Congress concerning the amounts to be appropriated for public services. The subject bill corrects the underlying cause by clarifying the guidelines for computing public services. The major issue has centered on two possible approaches in determining losses on free and reduced-rate mail: revenue foregone versus total loss. Enactment of the proposed legislation would resolve that controversy.

"(b) The precise amounts to be ascribed to public services would be determined routinely as a byproduct of Post Office cost ascertainment. There would no longer be any need for an annual public-service review with its attendant delays and added burdens for the Congress.

"(c) Deletion of losses on star routes and small post offices would remove an objectionable feature from the present enumeration of public services. Star routes and small posts offices are integral parts of a nationwide communications and transportation complex. Without these facilities the postal service could not fulfill its recognized responsibility, as stated in the Postal Policy Act, to 'unite more closely the American people, to promote the general welfare, and to advance the national economy.'

"Retention of star routes and small post offices in 39 U.S.C. 2303(a) would result in a partial double counting of public service allowances under the proposed language defining these losses. Significant portions of the cost of star routes and small post offices have been allocated to the costs of handling free and reduced-rate mail and to special services such as money orders and c.o.d.'s. The losses from these mails and services are already stipulated as public service credits under 39 U.S.C. 2303(a). To count these costs again in determining the loss on star routes and small post offices represents an unjustifiable charge against the Treasury for public service credits.

"Adoption of the public service provisions of the subject legislation would call for a new approach to rate adjustment within the framework of the Postal Policy Act. The amount of additional revenue to be sought through higher postal rates is reduced.

"The subject bill proposes increases in rates sufficient to bring postal revenues in line with costs after allowance for revised public services. The increases proposed would provide the minimum amount of additional postal revenues needed for a more equitable sharing of costs between the taxpayer and the users of the mails.

"In consonance with 39 U.S.C. 2302(c)(2), the subject legislation requests first-class postage rates which represent fair and reasonable prices for this primary service of the postal system, prices consistent with the value of the services received by the users of first-class mail. These first-class postage rates are sufficient to cover allocated expenses plus an additional amount for the value of preferential handling. This pricing approach stems from the fact that costs alone do not reflect value. Many services and privileges attached to first-class mail service are intangible in the sense that they cannot be included in allocated expenses. But the inability of cost-accounting processes (by which expenses are allocated) to place a price tag on these intangible benefits does not diminish their real and significant value to the patrons of the mail.

"A value-of-service, or premium price, for preferred handling is the traditional and economically accepted pricing practice throughout the world, in industry, and in government.

"It is the pricing formula prescribed by the Universal Postal Union for international letter mail.

"It is the method employed by most foreign postal administrations in setting rates for their domestic mails.

"It is the approach long followed by the Interstate Commerce Commission in approving transportation rates.

"It is the approach which the Congress of the United States endorsed for many years when the value-of-service premium on first-class mail averaged 40 percent in excess of cost in the period from 1926 through 1941.

"Revenues from first-class mail are now slightly below allocated costs and substantially below any reasonable level based on value of service. The proposed 1-cent increase in first-class mail is necessary to enable lagging rates to catch up with cost increases. Since 1932, when a 3-cent letter rate was first approved, the Consumer Price Index has risen 118 percent and the cost of handling a first-class letter has increased 130 percent. But letter rates have gone up only 33 percent. A 5-cent rate would bring the total increases since 1932 to 67 percent.

"In second- and third-class mail, the subject legislation proposes higher postage to adjust for cost increases which have arisen since rates were last modified in 1958. These further rate adjustments, together with the proposed modifications for computing public services, would result in substantially higher coverage of costs in both classes of mail.

"Cost coverage for free and reduced-rate mails would be raised to 100 percent by reason of the 'total loss' approach for public services. For the classes as a whole, the Department's revenues would be about 55 percent of cost in second class and 83 percent in third class. The relatively low cost coverage for second class, though substantially higher than in the past, is consistent with the established congressional policy of below-cost rates for newspapers and periodicals. From the very beginning of the U.S. postal system, low postage rates for these media have reflected the belief of Congress that wide distribution of reading matter should be encouraged for the public good.

"From the standpoint of clarity, it seems desirable to make one technical revision in H.R. 7927, as follows: On page 5, line 20, strike out 'within or.'"

This Department urges the enactment of the proposed legislation as proper and necessary revision of postal rates.

The Bureau of the Budget has advised the Department that enactment of this legislation is in accord with the program of the President.

Sincerely yours,

H. W. BRAWLEY,
Acting Postmaster General.

SUMMARY OF RATE PROPOSALS—S. 1812 COMPARED WITH S. 2382

S. 1812 provides $741.1 million of added revenue. S. 2382 provides $591.3 million of added revenue.

First-class mail: S. 1812 and S. 2382 both provides a 1-cent increase. The rate for letters would rise from 4 cents per ounce to 5 cents and for post cards from 3 to 4 cents. This would yield about $409 million. Airmail postage would rise from 7 cents per ounce to 8 cents for letters and from 5 to 6 cents for post cards. This would yield $13.7 million.

Second-class rates: Second class is the mail service for magazines and newspapers.

Under S. 1812 increases in this class would total $78 million.

Under S. 2382 increases on in-county mailings, nonprofit publications, and classroom publications are eliminated. Reduced increases for regular publications provide a one-half cent per piece charge effective January 1, 1962, which would yield $22.5 million, and a similar increase of one-half cent per piece effective January 1, 1963, for a total increase after both steps of $45.7 million.

Third-class rates: Third-class mail consists largely of advertising circulars mailed at bulk rates. It also includes fairly sizable quantities of catalogs and small parcels.

S. 1812 provides for $212 million of new revenue.

S. 2382 provides for a reduced minimum piece rate on bulk mailings of 3 cents (opposed to 3½ cents in S. 1812). It also eliminates any increases on nonprofit mail and reduces the increase on regular rate books and catalogs. In summary S. 2382 provides $103.6 million of added revenue.

Other changes: The increase provided in S. 1812 on educational materials and library materials is eliminated in S. 2382.

The effect on Government mail is unchanged in S. 2382.

Analysis of proposed postal rate revisions

H.R. 6418/S. 1812				H.R. 6418/S. 1812				H.R. 7927/S. —			
Section	Analysis	Mail class	Present rate	Proposed rate	New revenues	Increase in rates: Over current	Increase in rates: Over 1950	Alternative rate	New revenues	Increase in rates: Over current	Increase in rates: Over 1950
					Millions	*Percent*	*Percent*		*Millions*	*Percent*	*Percent*
2	Increases the postage rates on 1st-class mail by 1 cent.	1st class:									
		Letters	4 cents per ounce	5 cents per ounce	$382.8	25	67	5 cents per ounce	$382.8	25	67
		Drop letters	3 cents per ounce	4 cents per ounce	1.7	33	300	4 cents per ounce	1.7	33	300
		Cards	3 cents each	4 cents each	24.7	33	300	4 cents each	24.7	33	300
		Total			409.2				409.2		
3	Increases the postage rates on airmail other than air parcel post by 1 cent.	Airmail:									
		Letters (to 8 ounces)	7 cents per ounce	8 cents per ounce	12.7	14	33	8 cents per ounce	12.7	14	33
		Cards	5 cents each	6 cents each	.2	20	50	6 cents each	.2	20	50
		Parcel post (over 8 ounces)	Zone rates	No change [1]	.8			No change [1]	.8		
		Total			13.7				13.7		
4	Imposes a piece rate of ¼ cent on all within-county mailings except those on which postage is presently fixed by the piece. It also increases the existing per pound rates on within-county mailings by ½ cent, and applies these rates to publications now mailed free of postage.	2d class (magazines and newspapers): In-county: Free-in-county (rural post offices).	Free	¼ cent per piece plus 1½ cents per pound.	2.1	(Infinite)		No change			
		1 cent a pound matter (city post offices).	1 cent per pound; ⅛-cent minimum per piece.		2.8	155	155	do			
		1 cent and 2 cents per copy (local carrier service, non-weeklies).	1 cent to 2 ounces; 2 cents over 2 ounces.	No change [2]				do [2]			
5	Imposes a piece rate postage charge to all mailings beyond the county of mailing except transient mailings. The piece rate is 1½ cents except that in the case of classroom publications and for all nonprofit groups, it is ¼ cent.	Outside county: Nonprofit publications	1½ cents per pound; ⅛ cent minimum per piece.	¼ cent per piece plus 1½ cents per pound.	3.7	81	81	do			
		Classroom publications: Editorial	1½ cents per pound. (⅛ cent minimum per piece.)	Current pound rate plus ¼ cent per piece.	.2	27	27	do			
		Advertising	50 percent of regular rates. (⅛ cent minimum per piece.)								
		Regular publications: Editorial	2½ cents per pound. (½ cent minimum per piece.)	Current pound rates plus 1½ cents per piece.	68.8	83	247	Current pound rates plus piece charges as follows: Effective Jan. 1, 1962, ½ cents.	(22.5)	(27)	(136)
		Advertising: Zones— 1 and 2	3 cents per pound					Effective Jan. 1, 1963, 1 cent.	45.7	55	192
		3	4 cents per pound								
		4	6 cents per pound								
		5	8 cents per pound								
		6	10 cents per pound								
		7	12 cents per pound								
		8	14 cents per pound								
		Total			77.6				45.7		
7	Increases the rate of postage on controlled circulation publications to 14 cents a pound and the minimum to 3 cents a piece.	Controlled circulation (periodicals without paid subscribers).	12 cents per pound; 1 cent minimum per piece.	14 cents per pound; 3 cents minimum per piece.	1.0	17	40	12 cents per pound; 3 cents minimum per piece.	.1	2	4
8	Increases the single piece rates on 3d-class mail to 4 cents for the 1st 2 ounces, and 2 cents for each additional ounce. It increases the bulk rate on books, catalogs, seeds, cuttings, bulbs, roots, scions, and plants to 18 cents a pound, and on other 3d-class matter to 21 cents. The rate for bulk mailings of 3d-class matter is increased by 1 cent except that the minimum for qualified nonprofit organizations is raised ½ cent. The minimum charge for odd size pieces was fixed at 3½ cents by P.L. 86-56. This section increases that rate to 4½ cents.	3d class (printed matter and merchandise less than 16 ounces): Single piece rate	3 cents 1st 2 ounces; 1½ cents each additional ounce.	4 cents 1st 2 ounces; 2 cents each additional ounce.	52.4	33	100	4 cents 1st 2 ounces; 1½ cents each additional ounce.	38.4	24	87
		Bulk rate: Regular:	16 cents per pound	21 cents per pound	8.7	31	50	No change			
		Circulars, etc	2½ cents minimum per piece	3½ cents minimum per piece	117.4	40	250	3 cents minimum per piece	58.7	20	200
		Books, catalogs, etc	10 cents per pound	18 cents per pound	17.3	80	80	12 cents per pound	4.3	20	20
			2½ cents minimum per piece	3½ cents minimum per piece	4.5	40	250	3 cents minimum per piece	2.2	20	200
		Nonprofit:	16 cents per pound	21 cents per pound	1.1	31	50	No change			
		Circulars, etc	1¼ cents minimum per piece	1¾ cents minimum per piece	10.1	40	75	do			
		Books, catalogs, etc.	10 cents per pound	18 cents per pound	.6	80	80	do			
			1¼ cents minimum per piece	1¾ cents minimum per piece	.3	40	75	do			
		Odd size, minimum	3½ cents per piece	4½ cents per piece	(3)	29	50	4½ cents per piece	(3)	29	50
		Total			212.4				103.6		
9	Increases the rates on educational materials to 10 cents for the 1st pound and 6 cents for each additional pound, and on library materials to 5 cents for the 1st pound and 3 cents for each additional pound.	4th class: Educational materials	9 cents 1st pound; 5 cents each additional pound.	10 cents 1st pound; 6 cents each additional pound.	6.2	16	40	No change			
		Library materials	4 cents 1st pound; 1 cent each additional pound.	5 cents 1st pound; 3 cents each additional pound.	2.0	104	104	do			
		Total			8.2						
		Federal Government mail	Applicable class rates	Applicable class rates	22.0	23	58	Applicable class rates	22.0	23	58
		Mail mix adjustment			−3.0				−3.0		
		Total all classes			741.1				591.3		

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Applicable at original entry office only.

[3] Included in other 3d-class rate categories.

Mr. MONRONEY. As chairman of the Subcommittee on Postal Affairs of the Committee on Post Office and Civil Service, I am prepared to call immediate hearings on this measure as soon as it is referred to the subcommittee. I can assure the Members of the Senate and the Members of the House that there is no reason that the Senate cannot be prepared to act promptly on this bill in the event that action is taken in the House. It is my personal conviction that this Congress should not adjourn until we have done so.

PROPOSED AMENDMENT TO CONSTITUTION, RELATING TO FILLING OF TEMPORARY VACANCIES IN HOUSE OF REPRESENTATIVES

Mr. KEFAUVER. Mr. President, on behalf of myself and the distinguished Senator from New York [Mr. KEATING], I introduce a joint resolution to amend the Constitution, so as to authorize the Governors of the various States to make appointments to fill temporary vacancies in the House of Representatives in time of emergency.

ARTICLE —

SECTION 1. On any date that the total number of vacancies in the House of Representatives exceeds one-third of the authorized membership thereof, and for a period of sixty days thereafter, the executive authority of each State shall have power to make temporary appointments to fill any vacancies, including those happening during such period, in the representation from his State in the House of Representatives. Any person temporarily appointed to fill any such vacancy shall serve until the people fill the vacancy by election as provided for by article I, section 2, of the Constitution.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

The provisions of this joint resolution were approved yesterday by the Subcommittee on Constitutional Amendments, of which Senator KEATING and I are both members, when the subcommittee considered Senate Joint Resolution 18, which I have previously introduced. The present resolution combines certain features of Senate Joint Resolution 18 with other provisions suggested by Senator KEATING and supported by him in the past.

This amendment will close a loophole in our Constitution and continue representative constitutional government in the unhappy event that some disaster, such as nuclear attack, eliminates a large portion of the Members of the House of Representatives.

In the event of such a disaster, presidential succession is insured by law. The Constitution authorizes appointments by Governors to fill vacancies in the Senate. But special elections are required by the Constitution to fill vacancies in the House of Representatives. During the period of waiting for such special elections in times of national emergency, the efficiency and representative character of the Congress would be greatly impaired.

Measures similar to this have been approved by the Senate by overwhelming votes three times previously, in the 83d, 84th, and 86th Congresses. Its need has been urged by Civil Defense officials and Attorneys General of both parties. As the Deputy Attorney General stated in a recent report to the Judiciary Committee:

> The need for this amendment, especially during a period of national emergency or disaster, is pointed up by the critical world conditions today, and the ability of some nations, through the use of atomic and hydrogen devices, to wreck mass destruction in target areas.

The joint resolution which Senator KEATING and I introduce today authorizes such appointments only when the number of vacancies in the House exceeds one-third of its authorized membership. Senate Joint Resolution 18, which I previously introduced, sets the operative number of vacancies at one-half. In the 86th Congress, Senator KEATING's Senate Joint Resolution 85 set this figure at one-third. Amendments containing both figures have passed the Senate at different times in the past. The report recently received by the Committee on the Judiciary from the Department of Justice suggested that Senate Joint Resolution 18 be amended to set the operative number of vacancies at one-third instead of one-half, and it is now the opinion of the Subcommittee on Constitutional Amendments that one-third is a more suitable figure.

Senator KEATING's previous proposals and the Department of Justice's recommendations also provided a procedure to notify the States by proclamation when the requisite number of vacancies exist. In the past, the Senate has approved this measure, at different times, both with and without such a provision. Senator KEATING and I, along with other members of the Subcommittee on Constitutional Amendments, now agree that such a notification procedure is desirable but it would be better to specify it by the more flexible method of statutory enactment than by detailed inclusion in the Constitution. For this reason, the resolution which Senator KEATING and I now offer simply authorizes Congress to enforce the article by appropriate legislation.

We are now in a time of international crisis when the Nation is demonstrating to its potential enemies that it is determined to defend freedom at all costs. We have increased defense expenditures and have given the President extensive new powers in demonstration of our readiness if the enemies of freedom precipitate war. Prompt action on this amendment will show Mr. Khrushchev that America is prepared governmentally as well as militarily, and Senator KEATING and I urge its prompt approval.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 123) to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives, introduced by Mr. KEFAUVER (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on the Judiciary.

JOHN EDGAR HOOVER

Mr. DIRKSEN. Mr. President, with the concurrence of the majority leader, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 190) was read, as follows:

> Whereas John Edgar Hoover has rendered 37 years of distinguished service to the United States as Director of the Federal Bureau of Investigation, having been appointed to that position in 1924 during the Presidency of Calvin Coolidge and having served continuously in that capacity during the terms of office of Presidents Herbert C. Hoover, Franklin D. Roosevelt, Harry S. Truman, Dwight D. Eisenhower, and John F. Kennedy; and
>
> Whereas through the vigor and effectiveness of the leadership of John Edgar Hoover, the Federal Bureau of Investigation has been developed and maintained as a law enforcement agency of unparalleled efficiency, impartiality, and integrity; and
>
> Whereas, during the service of John Edgar Hoover as Director of the Federal Bureau of Investigation, the Federal Bureau of Investigation, in close and effective cooperation with State and local police agencies, has led successfully the fight against crime, corruption, and communism within the United States; and
>
> Whereas, through its services to the Nation under the direction of John Edgar Hoover, the Federal Bureau of Investigation has earned the trust, confidence, and appreciation of all Americans: Now, therefore, be it
>
> *Resolved*, That it is the sense of the Senate that John Edgar Hoover is deserving of the highest possible commendation for the continued excellence of his devoted and effective service to the Nation.
>
> SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the Director of the Federal Bureau of Investigation, the Attorney General, and the President.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and unanimously agreed to.

The preamble was agreed to.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. PROUTY submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MUNDT (for himself, Mr. DIRKSEN, Mr. BRIDGES, Mr. KUCHEL, Mr. HOLLAND, Mr. MILLER, Mr. TOWER, Mr. COTTON, Mr. YOUNG of North Dakota, Mr. SCHOEPPEL, Mr. WILEY, Mr. SMATHERS, Mr. LAUSCHE, Mr. BUSH, and Mr. BEALL) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

(See the remarks of Mr. MUNDT when he submitted the above amendment, which appear under a separate heading.)

Mr. SALTONSTALL (for himself, Mr. KEATING, Mr. BUSH, and Mr. MORTON) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

(See the remarks of Mr. SALTONSTALL when he submitted the above amendment, which appear under a separate heading.)

Mr. MONRONEY submitted an amendment, intended to be proposed by him, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

Mr. MUNDT. Mr. President, I send to the desk an amendment and ask that it be printed in the body of the RECORD at this time. It is not an amendment to the present bill, but an amendment to the bill S. 1983. The amendment would provide funds for the impacted area school program, and would be added to the foreign aid bill as a separate title. In that bill we shall be appropriating money for schoolchildren abroad. We should be paying attention also to the educational needs of the impacted areas at home.

I ask that the amendment be printed, printed in the RECORD, and that it lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment, intended to be proposed by Mr. MUNDT (for himself, Mr. DIRKSEN, Mr. BRIDGES, Mr. KUCHEL, Mr. HOLLAND, Mr. MILLER, Mr. TOWER, Mr. COTTON, Mr. YOUNG of North Dakota, Mr. SCHOEPPEL, Mr. WILEY, Mr. SMATHERS, Mr. LAUSCHE, Mr. BUSH, and Mr. BEALL) to Senate bill 1983, the Act for International Development of 1961, is as follows:

PART V

Title VII—Amendments to Public Laws 815 and 874

Extension of Temporary Provisions of Public Law 815

SEC. 801. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1964".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1964", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu thereof "1961–1962".

Extension of Temporary Provisions of Public Law 874

SEC. 802. The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each time it appears in sections 2(a), 3(b), and 4(a) and inserting "1964" in lieu thereof.

Extension of Laws to American Samoa

SEC. 803. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by inserting "American Samoa," after "Guam," each time it appears in sections 3(d), 6(c), and 9(8).

(b) The Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by inserting "American Samoa," after "Guam," in section 15(13).

DEFENSE APPROPRIATION BILL—CHANGE OF CONFEREE

Mr. MANSFIELD. Madam President, I ask unanimous consent that in the conference on House bill 7851, the Department of Defense appropriation bill for 1962, the Senator from Mississippi [Mr. STENNIS] be appointed a conferee, in lieu of the Senator from New Mexico [Mr. CHAVEZ].

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

NOTICE OF HEARING ON NOMINATIONS OF GUTHRIE F. CROWE TO BE U.S. DISTRICT JUDGE, DISTRICT OF CANAL ZONE; AND WILLIAM T. BEEKS TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF WASHINGTON

Mr. ERVIN. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, August 11, 1961, at 10:30 a.m., in room 2228 New Senate Office Building, on the following nominations:

Guthrie F. Crowe, of the Canal Zone, to be U.S. district judge, district of the Canal Zone, term of 8 years (now serving under an appointment which expired July 2, 1960).

William T. Beeks, of Washington, to be U.S. district judge, western district of Washington, vice John C. Bowen, retired.

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

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND] chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Nebraska [Mr. HRUSKA].

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. ERVIN. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Brockman Adams, of Washington, to be U.S. attorney, western district of Washington, term of 4 years, vice Charles P. Moriarty.

George A. Bukovatz, of Montana, to be U.S. marshal, district of Montana, term of 4 years, vice Louis O. Aleksich.

George M. Stuart, of Alabama, to be U.S. marshal, southern district of Alabama, term of 4 years, vice James L. May.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, August 11, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

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. BYRD of West Virginia:

Address delivered by him on July 29, 1961, before the West Virginia chapter, National Association of Postmasters, at Martinsburg, W. Va.

THE NEED FOR ADDITIONAL BOMARC MISSILES IN OUR NEW DEFENSE PLAN

Mr. BENNETT. Mr. President, after talking with military experts about the new problems we are facing as a result of mounting tension in Europe and elsewhere, I am convinced that we are paying too little attention to one of the most important aspects of defense—our defense against enemy air attack.

We realize that if the United States is attacked, the assault will be primarily an aerial assault. And the recent air show in Moscow, at which new and greatly improved Soviet bombers were unveiled, makes it clear that the Soviet Union is continuing to rely heavily upon manned aircraft for delivery of nuclear weapons.

The establishment of a Communist satellite in the Western Hemisphere, in Cuba, further increases the need for effective defense against manned aircraft, since no longer does the Soviet Union have to rely on long-range ICBM's for delivery of nuclear weapons. The Mig flyover at the recent 25th of July celebration in Cuba was a reminder that Cuba is getting more and more Russian aircraft.

Yet, after studying the testimony on the military buildup now being planned, I find there is little provision for air defense.

Development of the Nike-Zeus antimissile missile is progressing, and we have authorized and appropriated funds for Nike-Hercules ground-to-air missiles and F–105 fighter aircraft. But one weapon that is important to our defense has not been mentioned, despite the fact that it is our best answer to aircraft. The Bomarc apparently will be allowed to disappear from the catalog of our defense weapons, with production of this tested and proven ground-to-air missile ending in the late summer of 1962.

Time and time and time again this missile has demonstrated its ability to intercept targets at greater altitude and distance than any other defensive weapon. It has successfully sought and intercepted a supersonic target almost 450 miles away at an altitude of 100,000 feet. No other missile presently available is capable of this.

The Bomarc is able to stop aggressive aircraft long before they are in a position to drop their bombs. The people of this country need and deserve a defensive weapon with this capability. Yet, if production is permitted to end next summer, they will not have it.

Over the years, we have seen the impossibility of reinaugurating production once it has been stopped. There are many reasons for this, but two are outstanding: first, the corps of subcontractors and suppliers is dissipated and often cannot be reconstituted; second, a trained and experienced work force is

lost and cannot be regained. Unlike a kitchen faucet that can be turned on and off at will, a weapon production line cannot be turned on again once it has been turned off.

It is incumbent upon us to examine closely any decision to terminate production of a weapon so basic to our protection. Bomarc offers an alternative to life in a hole in the ground. It offers an opportunity to stop an aggressor before he reaches his target.

DISARMAMENT AGENCY

Mr. CLARK. Mr. President, yesterday I learned the good news that hearings will shortly be held by the Committee on Foreign Relations of this body on a bill to establish a U.S. Disarmament Agency for World Peace and Security. I personally believe this is one of the most important measures before this body. I hope very much that at the conclusion of the hearings the measure will be reported and passed by the Senate before we adjourn.

I ask unanimous consent that an excellent editorial appearing in the Philadelphia Inquirer on Tuesday, July 18, 1961, entitled "Amid Crisis, a Disarmament Bid," appear at this point in the RECORD.

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

AMID CRISIS, A DISARMAMENT BID

On the face of it, there would seem to be no more inauspicious time than now to begin new discussions with Russia on the subject of disarmament.

John J. McCloy, disarmament adviser to President Kennedy, is in Moscow to keep an appointment with Soviet disarmament "negotiator," Valerian Zorin, that was made weeks ago—before the crisis over Berlin and all its ramifications boiled up to a feverish pitch.

Now Mr. McCloy finds himself in the somewhat anomalous position of trying to find a cooperative Kremlin ear to listen to disarmament suggestions while the Soviets are more immediately concerned with digesting the notes from President Kennedy and Allies on the defense of freedom in West Berlin.

Meanwhile, back in Washington, nothing could seem farther from reality than talk of disarmament. From the White House to the Capitol to the Pentagon, and points between, the focus of attention is on plans and proposals for more arms, more men, more planes, more just about everything of a military nature. "Mobilization" is the word that can be heard on every side these days.

Despite the seemingly impossible task confronting Mr. McCloy, we believe that the worsening international situation makes his mission all the more important and the need for progress toward disarmament more vital than ever.

In fact, Congress could find no more opportune moment than now to initiate action on President Kennedy's recent request in line with recommendations by Mr. McCloy, for the creation of a new Federal agency in the executive branch devoted entirely to matters of disarmament and weapons control.

A continuous, organized effort is required to achieve meaningful steps toward disarmament. We agree with President Kennedy that a special agency, functioning closely with the White House and the Department of State, should be established for this purpose.

In the present atmosphere of invective—with threats and warnings filling the air—it would be unreasonable to expect Mr. McCloy to come home from Moscow with a Soviet disarmament pledge in his pocket. His perspective must be long range. He must seek diligently for a beginning, a starting point.

One such point well might be an intensified drive to reach agreement with Russia on a ban of nuclear weapons testing through some reliable system of international control, perhaps within the framework of the United Nations.

We in America, much closer to the hue and cry in Washington than to Mr. McCloy's lonely mission, ought not to allow the necessary preparation for imminent peril to deter us from a resolute, relentless search for an end to the arms race—for a beginning of real peace maintained by the promise of a better life, instead of an uneasy truce sustained by threats of nuclear annihilation.

Mr. CLARK. I wish to read an important sentence from the editorial, as follows:

We in America, much closer to the hue and cry in Washington than to Mr. McCloy's lonely mission, ought not to allow the necessary preparations for imminent peril to deter us from a resolute, relentless search for an end to the arms race—for a beginning of real peace, maintained by the promise of a better life.

COOPERATION TO IMPROVE TRANSIT FACILITIES IN THE PHILADELPHIA AREA

Mr. CLARK. Mr. President, on June 30 President Kennedy signed into law the Housing Act of 1961, which contained the first provisions ever enacted to aid the cities of America in the solving of their urgently pressing problems of mass transportation.

The Philadelphia area has taken immediate advantage of this new law, and I am happy to note that five counties in the Greater Philadelphia area have already agreed on a pact to improve future area transit, with the help of Federal assistance. Mr. President, I ask unanimous consent that an article which was published in the Philadelphia Inquirer of August 2, 1961, may be printed in the RECORD at this point.

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

FIVE COUNTIES AGREE ON PACT TO IMPROVE PHILADELPHIA AREA TRANSIT

A five-county compact, with the aim of improving transit facilities in the Philadelphia area, was approved Tuesday by the city and Bucks, Chester, Delaware, and Montgomery Counties.

The action, taken at a meeting of county solicitors in the Montgomery County Courthouse, Norristown, was hailed as the start of an integrated transit program, the first phase of which is expected to be a cooperative project on the North Penn branch of the Reading Railroad.

SIX PROJECTS OPERATING

Six such projects already are in operation under the city's nonprofit Passenger Service Improvement Corp. They are Operations Northwest (the Chestnut Hill lines of both the Reading and Pennsylvania Railroads), Northeast (the Reading's Fox Chase line), Torresdale (PRR), Manayunk (PRR) and Shawmont (Reading).

City Solicitor David Berger said he would ask Deputy Managing Director John Bailey to set up a meeting of technicians as rapidly as possible to make plans for the new project as well as the entire regional setup.

The compact approved Tuesday will require the approval of the city council for the county of Philadelphia and the boards of commissioners for the four suburban counties.

CONFEREES LISTED

In addition to Berger and Assistant City Solicitor Clyde McIntyre, the conferees were Bucks County Solicitor Samuel S. Gray, Jr.; Assistant County Solicitor James E. O'Neill, Jr., of Chester, and Montgomery County Solicitor Roger B. Reynolds.

Delaware County was not represented at the meeting, but the other solicitors said they would submit their findings to that county for appraisal and transmittal to the county commissioners.

In a news conference following the meeting, Berger said that Federal subsidy is the key to the entire situation.

U.S. FUNDS NEEDED

"No regional transportation solution is possible without Federal funds," Berger said. He added that the new plans do not come under PSIC, which at present is limited to lines which operate wholly within the city.

"We agreed that cooperative action by the four counties and Philadelphia is a necessity if we are to help the citizens of our area," a joint statement issued after the session said.

"It was agreed unanimously by us that the formation of a compact by the four counties and Philadelphia would be the best method by which to proceed. Such a compact would indicate our willingness to cooperate in a regional effort."

OPERATIONS STUDIED

The conferees said that although the North Penn operation—which runs between Lansdale and the Reading Terminal—would be the first, others are contemplated. They are the main line commuter road, the Levittown, Pa., line, the Chester commuter lines in this area.

Aside from the rail commuter lines, the solicitors said, the program would include bus feeder branch and others of the six Reading and six Pennsylvania lines and highways to form a regional transportation program.

The object of the program is to furnish frequent, comfortable public transportation at reasonable cost and thus lure motorists away from their cars and onto mass transit lines in an effort to cut down highway congestion in the area, especially during the peak hours.

COMBINED APPLICATION

"The compact will enable the four counties and the city of Philadelphia to apply jointly for Federal funds which include planning and demonstration grants for the proposed pilot project on the Reading's North Penn branch," the statement said.

"It should be understood that the only financial commitments involved in this project (North Penn) would be borne by Montgomery County and Philadelphia."

The proposed compact provides for the formation of an action committee of two members from each county and two from Philadelphia.

"We feel such a committee will be able to coordinate and plan cooperative action in the southeast section of the State," the conferees said. "The committee should be able to carry out the work and objectives of all cooperative plans.

"We believe that this compact will furnish the means by which citizens in the four counties and Philadelphia will be greatly served. We feel the compact will benefit the State itself, which has the primary duty of promoting intercounty highways.

"We are convinced that the prompt and proper use of Federal funds, as well as State and local resources, will ultimately enable us to attain a modern, coordinated, and efficient transit system which would help us avoid the spiraling and tremendous costs involved if we were to resort to highway construction and use alone."

Mr. CLARK. Mr. President, the action of the Congress and of the President in making the funds available both for loans to rehabilitate mass transit systems and for grants for planning purposes has been a real spur to the people of my State, in the southeastern Pennsylvania area. This move also has received editorial support, and I ask unanimous consent that an editorial from the Philadelphia Inquirer of yesterday morning entitled "Cooperation for Public Good" may be printed in the RECORD at this point.

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

COOPERATION FOR PUBLIC GOOD

Regional cooperation for the improvement of mass transportation in this area, something that the city of Philadelphia has been seeking for months, has apparently now been achieved.

The agreement reached at a meeting of county solicitors in Norristown on Tuesday calls for integrated action on a transit program by the five counties affected, including, in addition to Philadelphia, Montgomery, Delaware, Bucks, and Chester.

This city has had its own subsidized commuter-aid program in operation on the six Pennsylvania and Reading branches within the city limits. These operations have been successful in providing better service at bargain fares, in reducing use of automobiles for daily commutation purposes and thereby cutting down highway congestion at peak hours.

It has been evident all along that this program, excellent as it may be, could have no more than limited results until the rail commuter lines serving the four suburban counties were brought into it. For some time, however, suburban authorities hesitated about joining up with Philadelphia on any regional plan. There was reluctance to become a part of the city's Passenger Service Improvement Corp. project, which runs the low-fare operations in Philadelphia, or to spend county funds to defray any railroad operating losses.

The desirability of improved commutation service, however, has been recognized by the county governments. Montgomery County recently decided to launch Operation Lansdale on the Reading's North Penn branch as a first step along these lines. Affiliation with the PSIC has not been considered necessary in connection with this plan.

What has been found necessary, if Federal funds are to be obtained to promote improved mass transportation facilities in the Philadelphia area, is regional cooperation. The newly agreed upon, five-county board, known as the southeastern Pennsylvania compact, is to bring about this cooperation and, if possible, attract Federal aid.

After Operation Lansdale, the group will explore the possibility of setting up similar low-fare operations, with improved service, on the Pennsylvania's line to Levittown, which runs into Bucks County; on the Pennsylvania's main line, which furnishes the Paoli local service in four of the five counties, and the rest of the Pennsy and Reading branches in the area.

Part of the overall improvement plan is the proposed linkup of the Pennsylvania and Reading lines by an underground connection between the suburban stations of the Pennsylvania and Reading terminals.

How much Federal assistance the five-county region can expect, and how much suburban county funds will be required for the program, have not yet been estimated. But the benefits to the regional community from a plan that would supply fast, frequent, and comfortable transportation at reasonable fares, luring motorists away from their cars for commuter travel, are evident.

Should the rail commuter lines vanish, or their service be radically curtailed, the highway space and the parking facilities required for motor traffic throughout the metropolitan area are beyond computation.

Mr. CLARK. Mr. President, I am hopeful that we in the Senate, and also those in the Community Facilities Administration of the Housing and Home Finance Agency will be able to expedite the necessary planning grant and loan to make it possible for Philadelphia to be the pioneer city in the United States of America in a five-county pact to improve its mass transit.

NATIONAL INSTITUTES OF HEALTH

Mr. BUSH. Mr. President, in view of the action of the Senate earlier this week in appropriating for the National Institutes of Health approximately $253 million more than President Kennedy's budget requests, I have made inquiry to determine whether the NIH was able to expend all the money made available to it in the last fiscal year.

I am advised that the 1961 appropriations for all the institutes was $560 million. The unobligated balance, as of June 30, 1961, was approximately $25 million. Of this, however, $12,169,000 was earmarked for a neurological research building on which only $11,000 was spent.

Mr. President, I ask unanimous consent to insert in the RECORD a table which shows the amounts made available to NIH activities, and the amounts remaining unobligated at the end of the last fiscal year.

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

Activity	Available	Unobligated
General research	$83,900,000	$327,000
Cancer Institute	111,000,000	4,013,000
Mental health	95,761,000	3,697,000
Heart Institute	86,900,000	612,000
Dental Health Institute	15,500,000	887,000
Arthritis and metabolic diseases	61,200,000	2,612,000
Allergy and infectious diseases	44,000,000	229,000
Neurology and blindness	49,600,000	1,255,000
Total	547,861,000	13,631,000

Mr. BUSH. Mr. President, the table shows that the NIH was unable to put to use $13,631,000 of the funds made available last year. It raises serious questions as to the wisdom of the Senate in exceeding the President's budget requests by $253 million and in providing the NIH with $140 million more than it had itself requested of the Bureau of the Budget.

NATIONALIST CHINA

Mr. MORSE. Mr. President, yesterday the Washington Post and Times Herald published an editorial entitled "Looking at China." I think it is the finest, most keen analytical editorial on the subject matter I have read for a long, long time. I not only shall ask to have it printed in the RECORD, but I wish to read a paragraph or two:

There is very little likelihood in the foreseeable future of correct, let alone friendly, relations with such a regime.

The reference is to Red China—

But distaste for the government scarcely ought to be the ruling criterion of American policy. Within China are more than 650 million people, almost one-quarter of the entire human race.

An American policy of nonrecognition and isolation during the past 12 years has not served to prevent the consolidation of communism in China, whatever the difficulties there. Indeed, it has abetted continuation of the unnatural marriage between China and the Soviet Union. Perhaps it has served temporarily as a shield for the governments of southeast Asia, but the price has been a distorted and unreliable relationship.

Now the United States is faced with a very practical problem. The question of a seat for Communist China in the United Nations is certain to arise this fall, with many indications that there will be sufficient votes soon to put it across. Thundering pronouncements and congressional resolutions will not alter this problem.

Nor, Mr. President, will they change a single vote in the United Nations. The question in the United Nations, so far as the United States is concerned, is whether we are willing to debate the question on the merits and to present our case against Red China. We have a good case. We should not be afraid to present it because of any risk that once the China issue is put on the United Nations agenda for debate the result will be the admission of Red China. I just do not believe that is true. However, I think that if we continue to try to pressure our friends in the United Nations to vote against even letting the Red China issue be debated on its merits at the next United Nations General Assembly then there is a very real danger that we will be outvoted in the United Nations on this issue.

The editorial continues:

It is this point, and the accompanying artificial estrangement of the United States from many other countries, that argues strongly for freeing American policy from the Nationalist kite.

Mr. President, I am glad that point was made, because here is one Senator who is growing a little weary of having representatives of foreign governments, such as the Vice President of Nationalist China and the President, in name only, in my opinion, of Pakistan, and other foreign visitors, come to this country and turn the United States into a forum for their propaganda. Under such circumstances we are placed in a position in which good manners and hospitality and courtesy do not make it possible for us to reply immediately.

It is very important that these representatives of foreign governments come to the United States and confer

with our President and with our diplomats, but if they are going to spread the kind of propaganda which the Vice President of Nationalist China has been spreading, including his very fallacious and unsound speech before the National Press Club, then it is time we present to the American people at the same time some answers to their propaganda. It would have been very interesting to have the Vice President of Nationalist China discuss before the National Press Club the question, "Does a free press exist in Formosa?" Or to discuss the extent to which a bill of rights is guaranteed in Formosa. Or discuss the police state policy of Formosa.

In my judgment, the position of the United States in the United Nations should be taken quite independent of Nationalist China. I would have the leaders of Nationalist China keep in mind where they would be if it were not for the billions of dollars that the American taxpayers have poured into that U.S. puppet state. When all is said and done, in fact, that is what the United States has done for Nationalist China.

I am in favor of protecting the Nationlist Chinese and the people of Formosa against a Red Chinese bloodbath. However, I am one Senator who does not propose to remain silent and to let the Nationalist Chinese try to determine what American foreign policy shall be in the United Nations. I think their propaganda seeking to influence American public opinion should be answered. A good many statements of the Vice President of Nationalist China made in our country were most unfortunate.

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

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

LOOKING AT CHINA

Vice President Chen Cheng of Nationalist China gave the expected warning during his visit here against any shift in American policy toward the Communist regime in Peiping. He also asserted that the Nationalist Government will veto the admission of Outer Mongolia to the United Nations. From the standpoint of the officialdom on Taiwan, General Chen's strictures are quite understandable. It by no means follows, however, that the interests of the Chiang Kai-shek government and the interests of the United States are identical.

The Nationalist regime on Taiwan would like to be back on the mainland, and it has sought to muster U.S. support toward that end. Officially, at least, the Nationalist hierarchy has never reconciled itself to the concept of a separate and independent Taiwan where its future lies. Yet, though the reemergence of the Nationalist regime on the mainland would be infinitely preferable to the tyranny that exists there, the chance that this will happen is extremely remote.

Let there be no misunderstanding of attitudes toward Communist China. The crew in Peiping runs as fiendish and fanatical a regime as there is on this earth—aggressive, xenophobic, and totally hostile to non-Communist society. Its economic accomplishments are ground out through the most brutal kind of human slavery. The Communist revolution in China is still in the violent stage, without the mellowing that has occurred in the Soviet Union. The propagandists in Peiping never cease to play upon the one China sentiment on Taiwan, or to emphasize their aim of eliminating American influence in Asia.

There is very little likelihood in the foreseeable future of correct, let alone friendly, relations with such a regime. But distaste for the government scarcely ought to be the ruling criterion of American policy. Within China are more than 650 million people, almost one-quarter of the entire human race.

An American policy of nonrecognition and isolation during the past 12 years has not served to prevent the consolidation of communism in China, whatever the difficulties there. Indeed, it has abetted continuation of the unnatural marriage between China and the Soviet Union. Perhaps it has served temporarily as a shield for the governments of southeast Asia, but the price has been a distorted and unreliable relationship.

Now the United States is faced with a very practical problem. The question of a seat for Communist China in the United Nations is certain to arise this fall, with many indications that there will be sufficient votes soon to put it across. Thundering pronouncements and congressional resolutions will not alter this problem. It is this point, and the accompanying artificial estrangement of the United States from many other countries, that argues strongly for freeing American policy from the Nationalist kite.

By the same token, a redefined policy of independence for the separate regime on Taiwan would command a great deal of support. The question of diplomatic recognition (which the Peiping government might well refuse) need not enter the present consideration—though the ultimate advantage of firsthand information and a listening post in the increasing squabble between Peiping and Moscow could be very important indeed.

There is far less controversial case for the establishment of relations with Outer Mongolia which, despite its Communist antecedents and ideology, is a country that has committed no aggression against the United States.

(At this point, Mr. YOUNG of Ohio took the chair as Presiding Officer.)

ENVIRONMENTAL HEALTH CENTER AT ROCKVILLE

Mr. LAUSCHE. Mr. President, in the transcript of the testimony taken in regard to the bill for the Department of Health, Education, and Welfare there was a discussion of an item in which the Department asked for enough money to buy, I believe, 689 acres of land at a cost of $3,000 an acre near Rockville, to be used in the development of what is called generally an Environmental Health Center.

The Senate Committee rejected that request. In the transcript of the testimony questions were put by the Senator from Virginia [Mr. BYRD] to the witnesses. The Senator's argument related to the fact that the Congress is passing legislation for the purpose of inducing the channelization of new industries into depressed areas. There are in existence laws for the allocation of Government procurement contracts to channelize the work to different States, where it will help the economies. The Senator, in effect, pointed out that on the one hand we are spending money to decentralize, and, on the other hand, if the 689-acre tract of land, which eventually would involve a cost of over $40 million, is purchased, we shall be centralizing in Washington, D.C.

The point I wish to make is that we ought to give serious consideration to the purpose of ending the wish of our bureau leaders in Washington to centralize everything in this concentrated community. Such a course of action is not sound from an economical standpoint. It is not sound from the standpoint of security in the event trouble should occur. Nevertheless, military, bureau, and agency leaders are all desirous to centralize in Washington.

The project of which I speak might go to West Virginia or to some other State, and if it does it will serve the economy. It will eliminate the danger of centralization, and will serve the economy generally.

INCREASE IN NUMBER OF FEDERAL EMPLOYEES

Mr. BUSH. Mr. President, in the press of yesterday it was reported that there has been a steady increase of 66,844 Federal employees in the last 5 months of the fiscal year, starting in February, the month after the Kennedy administration took over. The increase is in sharp contrast to the record of the preceding administration, which over a period of 8 years reduced the number of Federal employees by approximately three times the amount of this reduction.

I point out this fact as a danger signal. The trend is not in accordance with what the President intended to do during the campaign of 1960, and the assurances that he gave us led us to believe that employment within the Federal Government would be kept under good control.

The move is, in my judgment, inflationary and a very disagreeable one to contemplate. I hope that we shall not see a continued increase in the number of Federal employees, because if we do, it will merely further increase the cost of the Federal Government, which will in turn further increase the deficit which we face, which now is estimated variously from $5 billion, $6 billion, $7 billion, $8 billion, and even to as high as $10 billion by one of the most respected and authoritative sources on the subject of Government finances.

No doubt this situation and others have prompted the Wall Street Journal yesterday to publish an editorial entitled "Disease of the Spirit." The disease of the spirit is actually an evidence of the callousness that seems to be developing toward the whole question of inflation, and the tendency to accept this evil hidden tax as a way of life.

Since I think the concept is such a false and dangerous one to millions and millions of Americans and to our whole system of Government, I ask unanimous consent that the editorial be printed in the RECORD following my remarks.

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

[From the Wall Street Journal, Aug. 3, 1961]

DISEASE OF THE SPIRIT

With understandable pleasure at the economic recovery so far, President Kennedy

the other day said that the second quarter of 1961 "was the first in 8 years in which our production has increased without an increase in the overall price index."

His pleasure, of course, is rich in political overtones. Not only because good business is good politics for the party in power, but also because the situation he describes sounds like a stinging refutation of the argument that he has embarked the Nation on an inflationary course. If prices are relatively stable, how can there be inflation?

Actually, there's no paradox. The Nation has enjoyed relative price stability for several years, and nothing President Kennedy has done in 6 short months could reasonably be expected to significantly affect the price level so soon. But that does not mean he has not set the dial for inflation; he most certainly has, with his huge spending for anything and everything, his deficits, and his cheap money bias.

Just how and when this will be reflected in a new wage-price spiral, we know no more than he. It is conceivable that it would not be so reflected for some time; inflation is not a definition of a wage-price spiral, but a cause of it, and in times past it has taken months and even years for an inflation to translate itself into a spiral. Meantime, it's true enough the inflationary spending the President has set in motion is likely to accelerate the boom he so devoutly desires.

If these are reasonable possibilities, then what's the fuss about inflation? An inflation both stimulating and painless begins to sound more like a good thing than a bad thing, and a number of people in Washington do view it that way.

The case against inflation in present circumstances, it seems to us, is not that it is sure to bring on a disastrous bust any time soon. It may do that, given the right combination of conditions. But the more certain case against inflation is less dramatic and more complex, which makes inflation all the more insidious.

To begin with, the inflation will soon or late, this year or next year, show up in a wage-price spiral. Even if it is a gradual one, it is painful for almost everyone, and especially for those whose income depends on a dollar of stable purchasing power.

Moreover, it is not true, whatever the Government's economic experts may think, that our economy needs the stimulation of inflation in order to grow. Some of the most prosperous periods in our history have been noninflationary. The incredible prosperity of West Germany, with its soaring economic growth, is grounded in anti-inflationary policies.

Indeed, the kind of growth inflation spurs is almost bound to be harmful. An excess of money in the economic body opens the way to all kinds of diseases. Anything goes; marginal ventures are undertaken; factories are built that never should be built; unjustified expansions are carried out. Speculative excesses multiply in the stock and other markets. This is not theory; it has happened in the not so distant past, and some of it is already happening again.

When that distorted growth gets sufficiently out of hand, and speculative fever is consuming the populace, then you may in fact have the conditions for a thorough crash. Let us not be so naive as to think that the Government or anything else has outlawed the possibility of depression.

Short of that, there is still another vicious effect of inflation. A Government policy of inflation is basically a dishonest policy. It is a refusal by Government to meet its fundamental responsibility of providing sound money; and it rests on the dishonest assumption that one can have things one can't pay for.

Thus it generates a certain looseness among the people: Men work less than they are capable of; a so-what, get-rich-quick psychology grows. If war has been called a moratorium on morality, so in its own way, is inflation. It is a disease of the spirit before it is a disease of the economy.

For these reasons no government has the right to adopt a policy of inflation. And we as a nation must be getting a little morally calloused to even let it try.

GOVERNOR ROCKEFELLER PROCLAIMS UNCLE SAM DAY

Mr. KEATING. Mr. President, for a number of years the fine people of Troy, N.Y., have been working diligently to establish that city's claim to the symbol of Uncle Sam. There is presently pending before the Judiciary Committee a resolution which I sponsored, Senate Concurrent Resolution 14, recognizing Samuel Wilson, of Troy, N.Y., as the progenitor of the symbol of Uncle Sam. It is my hope that this measure will soon be reported favorably to the Senate. The evidence supporting Troy's claim to Uncle Sam is overwhelming and recognition of this by the Congress is long overdue.

The Governor of New York has also recognized Uncle Sam's connection with the State of New York by proclaiming September 13, 1961, as Uncle Sam Day. His proclamation gives greater weight to the claim of New York State.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a copy of Governor Rockefeller's Proclamation of Uncle Sam Day.

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

PROCLAMATION

For upward of a century the figure of Uncle Sam has stood throughout the world as a symbol of our country, of the best in Americanism.

Uncle Sam was a New Yorker. His name was Samuel Wilson and he was one of the foremost merchants of Troy, and a supplier to our military forces. According to legend, his integrity was such that the initials "U.S." stamped on containers represented "Uncle Sam" or "United States."

In 1959 a joint resolution of the New York Legislature requested me to issue a proclamation in honor of Uncle Sam, which I was happy to do.

Now a subcommittee of the U.S. Senate Judiciary Committee has approved a bill in the Congress officially recognizing Samuel Wilson, of Troy, as our country's "Uncle Sam." Favorable action on this measure by the Congress would be a fitting affirmation of the principles of Americanism which Samuel Wilson personified.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim September 13, 1961, as Uncle Sam Day in New York State in honor of the memory of Samuel Wilson, of Troy.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 1st day of August in the year of our Lord 1961.

NELSON A. ROCKEFELLER.

RESOLUTION OF THE UNDERWEAR INSTITUTE

Mr. KEATING. Mr. President, there has been increased concern among various sectors of the textile industry about administrative and legislative steps to relieve the trade problems faced by the manufacturers of several major types of apparel. The Congress will air this subject fully in connection with the debate on the Reciprocal Trade Act. I have introduced a bill, S. 675, which, like many others, seeks to develop a middle-ground position whereby our present relief-giving mechanisms will be made more meaningful as regards affected industries.

In the meantime, the administration has taken steps to assist affected domestic industries both as regards the implementation of existing trade-relief mechanisms and as regards multilateral negotiations between the United States and other textile-producing nations.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of a petition submitted to me by the Underwear Institute, the national association of the underwear and allied products manufacturing industry. This resolution supports the position of the Pastore subcommittee and also indicates support for the President's seven-step program to deal with the trade problems of the textile industry.

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

RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS OF THE UNDERWEAR INSTITUTE

Whereas growth and the creation of full employment is a major economic aim for America; and

Whereas an additional objective is world trade of a nature which will not upset existing markets nor create tensions; and

Whereas the textile industry (including the fiber and apparel industries) in America employs 4 million people and it is vital that this industry be a growing and aggressive one, particularly to enable it to fulfill its patriotic obligations in time of international emergency; and

Whereas the excessive and rising importation of textile products and textiles in general, because of the unfair competitive nature of these products, is rapidly destroying growth initiative; and

Whereas the present imbalance and growing trend toward greater imports have a detrimental effect on our gold position through a worsening of our balance-of-payments position, make impossible sound forward planning so necessary to the industry's economic growth, and cause not only permanent losses to the working force but increased unemployment and reduced worktime: Now, therefore, be it

Resolved, That the Underwear Institute is firmly in accord with the aims and suggestions of the Pastore committee as they affect the textile industry and, further, that the Underwear Institute is fully in accord with the action of President Kennedy in his creation of a Textile Advisory Committee to study and, more importantly, to take action concerning the entire textile import problem and, finally, that the Underwear Institute recommends that the activities of the aforementioned committees be coordinated and implemented with a minimum of delay.

EMPHASIS IN NEWBURGH CONTROVERSY

Mr. KEATING. Mr. President, the controversy over Newburgh's 13-point welfare program has been raging for several months. There have been charges, countercharges, and denials in the press as to the legality and moral

underpinnings of the key points in the Newburgh code.

I think it is desirable that, wherever possible, we emphasize constructive and not destructive aspects of the Newburgh experiment. I personally feel that the townsmen of Newburgh have largely accomplished their major purpose in that they have focused widespread national attention on the need to tighten up many of our relief programs and on the concomitant need to stress getting people back to work, as opposed to building up the attitude that relief is and should be a way of life. Such an emphasis is to the advantage, not just of the community, but also of the men and women who are in the "dumps" and are forced to turn to the community for help. We need to help people help themselves, we must avoid structuring our relief programs in such a way that they become a rut, so that once you are in it, you never get out.

Mr. President, I am happy to call attention today to a thought-provoking editorial which appeared in the Rochester, N.Y., Democrat and Chronicle. It suggests that the purpose of the Newburgh plan has been to "marshal public attention on the twin trouble spots of heavy welfare expenditures and inadequate efforts or capacities to return employables to work rolls."

These are valid and constructive points which should suggest to other communities that greater enforcement efforts are needed to prevent welfare abuses and that simultaneously in cases of real and legitimate need, we also must accentuate the positive and place even more stress upon finding work for those on relief. I ask unanimous consent to have printed at this point in my remarks the text of the editorial to which I referred from the Rochester Democrat and Chronicle.

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

NEWBURGH: FOCAL POINT FOR NEW LOOK AT WELFARE

Whether Newburgh wins its struggle to slice through redtape and handle welfare problems with a unique brand of toughness, it is now clear that this little city on the Hudson has done a nationwide service by inspiring thought and debate on this aggravating subject.

Lest there be doubt of Newburgh's achievement as a focal point of bewilderment and dismay over increasing welfare expenditures, one can cite a number of county boards of supervisors in Newburgh's stringent welfare code.

Monday's news reported that petitions of support have been sent to Governor Rockefeller from Brockport. Other cities, Richmond, Va., to name one, are considering emulation of some features of the Newburgh plan. Both Senators JAVITS and KEATING have publicly expressed support of the Newburgh objectives without necessarily endorsing every provision of its code.

The entire letters section of the New York Times yesterday was devoted to the Newburgh issue.

Running through messages of encouragement to Newburgh has been a tribute to its determination to restore home rule in welfare matters.

That a large percentage of welfare recipients could be restored to earning roles, a major thesis in the Newburgh plan, is indicated in the yearly report of the State department of social welfare which so stoutly resists the Newburgh plan. In Westchester County in less than 7 months after the transfer of 152 cases to a special multiproblem project, one-third were helped to adequate independent living and nearly two-thirds showed progress toward self-sufficiency. In Niagara County, of 38 problem cases, 17 got jobs, and 3 were rehabilitated in a similar project.

More recently a Rockefeller Foundation-financed report found that too many of the Nation's voluntary health and welfare agencies are in "bitter, wasteful competition" for the $1.5 billion a year contributed by the public; are spending money on bettering social ills rather than trying to prevent them, and are operating in "an antique, patched-up, and jealously centered way."

Not for years has anything approaching Newburgh's bold experiment occurred to marshal public attention on the twin trouble spots of heavy welfare expenditures and inadequate efforts or capacities to return employables to work rolls.

The resulting healthy rash of public discussion and new and searching reexaminations of welfare programs everywhere, whatever the fate of the Newburgh plan, have redounded in the public interest.

Mr. KEATING. Mr. President, the controversy in Newburgh is, I have always felt, primarily a New York State matter, and should continue to be such. On those points in the Newburgh package which may be a violation of State law, the State has already taken action to enforce its laws. There is, of course, the possibility that at some point the Federal Government could have some role to play in this situation as regards the several relief categories for which Federal aid is available, for example, the aged, the blind, the disabled, and dependent children.

Despite possible Federal involvement, I am glad to report that the Department of Health, Education, and Welfare has informed me that they are taking a hands-off position in Newburgh. I recently made an inquiry on this subject of the Department and yesterday received a reply from Miss Kathryn D. Goodwin, Director of the Bureau of Public Assistance, which I also ask unanimous consent to be printed at this point in my remarks.

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

DEPARTMENT OF
HEALTH, EDUCATION AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
BUREAU OF PUBLIC ASSISTANCE,
August 1, 1961.

DEAR SENATOR KEATING: This is in reply to your letter asking about the effect of Newburgh's welfare regulations upon the eligibility of New York State for public assistance grants.

This particular issue has not yet arisen. Rather, it is still a matter between the State and locality and the New York Department of Social Welfare is determining whether or not State laws and rules are being violated. We are looking to the State agency to assure that uniform standards conforming to the requirements of the Federal law are maintained and have not intervened in the situation.

It is possible that State plans may be called into question. However, until we know what provisions of Federal law are involved it is both impossible and inappropriate for us to comment.

Sincerely yours,
KATHRYN D. GOODWIN,
Director.

Mr. KEATING. Mr. President, as far as I am concerned, the "hands off" policy expressed by Miss Goodwin is entirely correct.

Rather than expand the controversy raging in Newburgh, we must seek to emphasize and apply the constructive points which the Newburgh program has so forcefully brought to public attention.

REORGANIZATION PLAN NO. 7—FEDERAL MARITIME BOARD

Mr. DIRKSEN. Mr. President, the distinguished Senator from Maryland [Mr. BUTLER] has offered a resolution of disapproval of Reorganization Plan No. 7, which proposes a reorganization of the Federal Maritime Board.

Just 11 years ago, in 1950, President Truman submitted to Congress Reorganization Plan No. 21 which abolished the U.S. Maritime Commission and created the present Federal Maritime Board. Now President Kennedy has submitted Reorganization Plan No. 7 under which the Board would be abolished and we would go back to a Federal Maritime Commission.

"What's in a name?" That is often said to be the question, but the important thing is what is behind the name? To determine that let us go back to 1950 and President Truman's message in connection with Reorganization Plan No. 21 of that year.

First, let us take the number of members of the agency. President Truman said:

> The Maritime Board will consist of three members. The Board, therefore, will be a smaller and more wieldy body which can function with greater expedition and efficiency than the existing five-member Commission.

Yet, Reorganization Plan No. 7 sent to Congress by President Kennedy provides for a five-man agency. Apparently they disagree, but one might ask whether the administration had given sufficient consideration to President Truman's determination:

> A three-member Board will be a smaller and more wieldy body which can function with greater expedition and efficiency than the existing five-member Commission.

It should be noted, too, that whatever good or bad effect these two additional members would have on the efficiency and wieldiness of the Commission, they will also make it more expensive. Each will receive a salary of $20,000 a year, and there will be other expenses to the Government for maintaining them, including their offices which must be suitable for commissioners, secretarial and staff help, technical, administrative, and legal assistants.

Indeed, it might well be true that President Truman was right when he said that a three-man agency would be a smaller and more wieldy body which can function with greater expedition and efficiency than a five-member commission and, I might add, in these times of sacrifice and large defense expenditures, that a three-man body would certainly function with greater economy.

Next, let us take a point of considerable importance. President Kennedy in his message accompanying plan 7 said

that the determination and award of subsidies would be concentrated in one man, the head of the Department of Commerce.

On this point President Truman in his message said:

> While the award of subsidies is a promotional rather than a regulatory function and might logically be assigned to the Maritime Administration instead of the Board, its impact on the shipping industry and on individual carriers is such as to make desirable the deliberation and combined judgment of a board. Accordingly, I have adhered to the recommendation of the Commission on Organization that this function be vested in a multiple body rather than a single official.

President Truman went on to say:

> The Board, however, and it alone, will determine to whom subsidies shall be granted and will make and award to subsidy contracts. Its actions therein will be conclusive and will not be subject to modification by any other agency or officer of the Department of Commerce.

If this idea of an independent, unbiased award of subsidies was good in 1950, why is it not as good today? Why does President Kennedy want to put the award of subsidies under the control of a member of his Executive family? Is it for a political purpose?

Turning next to section 105 of Reorganization Plan No. 7, we find that it is a familiar provision. It is the same section which caused the defeat of the reorganization plans for the Securities and Exchange Commission and the Federal Communications Commission. It was substantially incorporated in the plan for the National Labor Relations Board which was also defeated. Basically it provides that the new Commission "shall have the authority to delegate any of its functions to a division of the Commission, an individual Commissioner, hearing examiner, or an employee or employee board."

What would these functions which can be delegated to any employee be? They are set out in section 103 of the plan and they include "the regulation and control of rates, services, practices, and agreements of common carriers by water and of other persons; the making of rules and regulations affecting shipping in the foreign trade"; and all the functions with respect to adopting rules and regulations under the provisions of the enumerated sections of the Merchant Marine Act of 1936.

Indeed, under Reorganization Plan No. 7, the Commission could delegate to an employee the entire control of domestic and foreign shipping under its jurisdiction. I seriously doubt the wisdom of such a proposal.

Section 105 of the plan does not stop here, however, with the authorization of the delegation of any functions to any employee. In paragraph (b) it goes on to provide that there shall be no right on the part of the public to a review by the Commission of the decision of a subordinate to which such power has been delegated. Thus we have the public cut off in the first instance from having the matter decided by the Commission, should it decide to delegate the task, and then by paragraph (b) from obtaining a review of that decision by the Commission.

Section 105(c) goes still further and transfers to the Chairman the function of assignment of all personnel, including other Commissioners, to perform any functions which may have been delegated. During the hearings on the reorganization plan for the FCC it was suggested that this might permit a Commissioner to be sent abroad by the Chairman for an international conference at a time when some crucial matter was coming before the Commission. In this same situation, under plan No. 7, it raises the specter of "a slow boat to China." There is no need for such provision in this reorganization plan. If the Commission is to consist of five members having equal powers and equal vote except that one of them shall be designated Chairman, then there is no valid argument that can be made for giving one of them the power to assign the others to any delegated duty.

Turning now to part II of Reorganization Plan No. 7, we find that the Secretary of Commerce will have certain functions. Section 202 provides:

> (a) Except to the extent inconsistent with the provisions of section 101(b) or 104(b) of this reorganization plan there shall remain vested in the Secretary of Commerce all the functions conferred upon the Secretary by the provisions of Reorganization Plan No. 21 of 1950.

And, in addition, that there shall be transferred to the Secretary of Commerce:

> (b)(2) Except to the extent transferred to the Commission by the provisions of section 103(e) of this reorganization plan, the functions described in section 103(e);
>
> (b)(3) Any other functions of the Federal Maritime Board not otherwise transferred by the provisions of part I of this reorganization plan;
>
> (b)(4) Except to the extent transferred to the Chairman of the Commission by part I of this reorganization plan, the functions of the Chairman of the Federal Maritime Board.

I hope that someone will be able to determine what functions the Secretary of Commerce is granted by this plan. To give some idea of the difficulty in doing this I turn first to section 101(b) of the plan. Reading it into section 202 (a) I find that the section would then read:

> Except to the extent inconsistent with the provision that the Commission shall not be a part of any executive department or under the authority of the head of any executive department there shall remain vested in the Secretary of Commerce all functions conferred upon the Secretary by the provisions of Reorganization Plan No. 21 of 1950.

I must confess that the meaning of this provision would not be clear to me.

However, once each of these provisions are straightened out, if they can be, and all of the functions of the Secretary of Commerce become known, we have another sweeping provision. Section 203 of Reorganization Plan No. 7 then becomes applicable and permits the Secretary of Commerce to delegate the performance of any functions given him under this reorganization plan to any employee of the Department of Commerce. With all of this transferring and delegation of functions it might be next to impossible to find out who is doing what with respect to the Maritime Administration.

And then let us be sure to note that in spite of all of these people who can or might be carrying out some function under the plan, delegated or otherwise, the plan also contains a provision for one man for whom no duties at all are prescribed. He has the title of Maritime Administrator. He is appointed by the President by and with the advice and consent of the Senate. He has a salary of $20,000 per year. He is at the head of the Maritime Administration. Yet he is given no duties by the plan except those which the Secretary of Commerce shall prescribe. Somehow, I cannot but have the feeling that the draftsman of this plan ran out of steam.

Functions are created, transferred, and abolished with abandon. Delegation is provided on every hand. But no functions are specifically provided for a $20,000-a-year Government official.

I have seen many reorganization plans in my years in the Congress, but this plan appears to do less good, at a much greater cost to the taxpayer, than any plan I can remember. It seems to rely mainly on creating three new $20,000-a-year jobs, with all the offices and personnel which would go with them, and a permission for whoever holds the functions and powers to delegate them to anyone else to perform. If ever a plan should be disapproved by the Congress, I believe this one should be.

The deadline on the proposed reorganization plan is on the 10th of August, Therefore between now and that time this matter must be called up. I wanted the Senate to be alerted to some of these items to show the difference of approach between President Kennedy and President Truman.

AID TO FEDERALLY IMPACTED AREAS

Mr. LAUSCHE. Mr. President, yesterday afternoon I indicated my desire to be a cosponsor of the amendment offered by the Senator from South Dakota [Mr. MUNDT] dealing with aid to the schools which are serving the children of our military personnel in various parts of the country. In Ohio there are 144 school districts receiving help under this program. In 1962, if the program is not extended from the standpoint of the operation of the schools, there will be a loss of $5,794,000 covering all pupils; that is, A, B, and C class of pupils.

One of these classes is permanently taken care of under present legislation; hence I am unable to say what the loss actually will be in dollars, but it will be substantially in accord with the total figure that I have mentioned, $5,794,000. The loss will definitely be not less than 70 percent of the $5,794,000.

Under Public Law 815 the loss will be approximately 55 percent of $714,700. I do not believe that our school districts in Ohio can afford to lose this sum of money to which they are justly entitled.

It seems now that there is a likelihood that no law will be adopted to continue

this help. I do not believe that that should happen. I will give my vigorous support to the amendment of the Senator from South Dakota [Mr. MUNDT].

SPACE COMMUNICATIONS SYSTEM

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to an article which appeared in this morning's New York Times entitled "Phone Satellites Stir Policy Clash."

The Monopoly Subcommittee of the Senate Small Business Committee is conducting a comprehensive congressional examination of public policy problems posed by the coming of space communications.

The political and economic problems inherent in this vast change in world communication will indeed effect the entire business community as well as the foreign policy of our country.

The complex problems in the fields of science technology, economics, and foreign relations arising from this concept are vast, but not insoluble.

The considerations arising from this facility are of importance not only to the United States but to the entire world.

Without communications there can be no understanding.

Without understanding there is no chance for survival.

Several days ago in Switzerland I proposed that we consider the possibility of a special agency of the United Nations to operate such a system.

Thus I say that these problems are of sufficient magnitude that the Congress of the United States should investigate them thoroughly.

Senator RUSSELL LONG is to be congratulated for his work.

I ask unanimous consent that the article from the New York Times be printed at this point in my remarks.

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

[From the New York Times, Aug. 4, 1961]

PHONE SATELLITES STIR POLICY CLASH—U.S. OWNERSHIP PLEA REVIVED AT SENATE HEARINGS

(By John W. Finney)

WASHINGTON, August 3.—The possibility of Government ownership of a space communications system underwent a significant revival in Congress today. Hitherto, it had long been regarded as a dead issue and had been rejected by the Kennedy administration.

The revival stemmed from developments in the caucus room of the Old Senate Office Building and in a conference room of the Federal Communications. The events made it apparent that a debate along the classical lines of public versus private ownership was building up over the first commercial application on the new frontier of space.

Officially, the Government was pressing ahead to implement the administration's new policy. This policy would turn over ownership and operation of a communications satellite system to private industry.

At the Federal Communications Commission, 10 international communications companies met with Government representatives to begin drafting plans for a private consortium to own and operate the communications network. The participants ranged from the giant American Telephone & Telegraph Co. to the South Puerto Rico Sugar Co.

MISGIVINGS INCREASING

On Capitol Hill, however, it was becoming apparent that there were considerable misgivings about turning over ownership to a "joint venture" of international communications companies. Partly this was based on concern that the consortium might become dominated by A.T. & T. There also was an increasing desire to study the possibility of Government ownership, if only on an "interim basis."

A sudden upsurge of congressional interest has been stimulated in part by some intensive industrial lobbying in recent months on behalf of private ownership. It was also becoming evident that the question of ownership of a communications satellite system was likely to be settled ultimately in Congress, rather than in the White House and the Federal Communications Commission.

For the moment, the first comprehensive congressional examination of the manifold public policy problems posed by the coming of a space communications system was coming from an unexpected quarter. This was the Antimonopoly Subcommittee of the Senate Small Business Committee.

The subcommittee is holding several days of hearings into space communications policy. In the process, it is stimulating some jurisdictional interest and jealousy in committees more directly concerned with the problem such as the Space and Commerce Committees.

GOVERNMENT RULE PROPOSED

Today, the subcommittee heard Dr. Dallas W. Smythe, research professor of communications at the University of Illinois, propose that ownership and operation of a satellite system be turned over to a Government authority. A platoon of industrial representatives listened in the Senate caucus room as he testified.

Dr. Smythe, chief economist of the Federal Communications Commission from 1943 to 1948, criticized the administration's policy of private ownership. He said it was based on invalid and unrealistic assumptions that do not take into account the revolutionary technical, economic, and diplomatic aspects of a global communications system based on satellites.

"Communications satellites," he contended, "do not fit traditional patterns by which Government discoveries can be turned over to private industry for commercial exploitation."

He proposed that a "communications satellite authority" owned by the Government run the satellite system as a "carrier's carrier" for all domestic and foreign communications companies. The companies would lease radio space from the authority and would continue to compete in the traditional way in obtaining and transmitting traffic.

Ultimately, he said, the satellite authority should become an authority of the United Nations. Unless communications satellites are placed securely under United Nations auspices, he said, "they could become another battleground in the cold war, with the United States and Russian systems vying with each other in ways which would be damaging to all nations."

JAVITS SEEMS IMPRESSED

The professor's arguments against private ownership appeared to impress Senator JACOB K. JAVITS, Republican of New York and a subcommittee member. The testimony prompted the Senator to suggest an alternative approach of a Government-industry organization to run the satellite system.

Such a mixed enterprise, Mr. JAVITS said, might more easily solve the policy problems than either a private or public approach. As outlined by the Senator, the cooperative enterprise would be jointly owned and managed by Government and industry and have its own corporate organization to run the satellite system.

Meanwhile, there is considerable belief in Congress and industry that the administration and the Federal Communications Commission have laid down such stringent terms for private ownership that the Government may have to own the satellite system in its early stages.

Two conditions are causing the most concern in industry. One would require that a commercial system be inaugurated at the earliest possible time. The other would insist that the system provide global coverage, including nonprofitable areas.

In the view of some industry participants, the Government is asking private industry to spend hundreds of millions of dollars to install a space communications system before it would be justifiable on an economic basis and before the crucial technological problems have been solved. The necessary capital investment, it is believed, may be as high as $400 million.

The possible reluctance of industry to risk an immediate capital investment was alluded to in testimony by Dr. Elmer W. Engstrom, senior executive vice president of the Radio Corp. of America.

If the satellite program were based solely on "economic business considerations," he said, "it would probably be desirable to time the investment to coincide with the growth of traffic to the point where it will effectively load the system."

He pointed out that a satellite system would have 20 to 30 times the capacity of the present transatlantic cables, and said:

"We may expect that it will be several years before the traffic potential would develop to and beyond the break-even point relative to the investment."

STUDY ON RIFT BETWEEN RED CHINA AND THE SOVIET UNION

Mr. WILEY. Mr. President, the Moscow-Peiping axis, continues to be the major, powerful threat to world peace.

Unified in ultimate goals—but differing somewhat on tactics—they continue, however, to mobilize manpower, brainpower, and resources to conquer the globe and to bury us.

Recently, frequent reports have emerged from splits and cracks in the Bamboo and Iron Curtains, respectively, that all is not "peace and friendliness" behind the curtains.

We recognize, of course, that any real dissension in the Communist world would be significant to Western policy. Consequently, I requested the Library of Congress to evaluate the reported rifts between Moscow and Peiping.

The study is now complete. Overall, it gives credence to the following conclusions:

First. There is a power struggle between Khrushchev and Mao Tse-tung for leadership in the Communist world. Because of superior Soviet power and technological, scientific, industrial superiority, however, Mr. K. will, in all likelihood, remain top Red dog for the foreseeable future.

Second. The bone of contention between the Red leaders involves tactics rather than ultimate objectives—which still aim toward world conquest.

Third. Major features of the disagreements in the Sino-Soviet axis include:

(a) Khrushchev would like to single-handedly wield power of the whole Communist bloc; to have top command of the Communist forces, feeling free to call the signals, to decide when to have revolutions, when and where to take risks, when and where to withdraw, at what time to launch a drive for peace or for war. Mao doggedly prefers to retain his limited, though growing, voice in Red policy.

(b) Khrushchev prefers a flexible policy of striking and feinting, including a variety of tactics—sometimes contradictory, such as: Disarmament campaigns, good-will tours, diplomatic offers, rocket threats, arms on easy credit, commercial blandishments, development loans, technical assistance, threats to wreck the United Nations, and active support of revolution and civil war. By contrast, Mao prefers hard, aggressive pressures against the West and non-Communist world.

(c) In principle, the Chinese Communists have never accepted the Khrushchev policy that prevention of another world war is not only possible, but desirable, even though capitalism still prevails in some parts of the world.

Fourth. Generally, such extremist views can be eliminated, as: First, that Khrushchev and Mao are drifting toward irreconcilable hostility and possible violent clash; second, that the Chinese are ready and anxious to launch a "holy Communist war" against imperialism, regardless of arms, cost, dangerous weapons involved; and third, that Khrushchev is so devoted to peaceful coexistence as to have altogether foresworn violence against the non-Communist world.

In conclusion, then, the Moscow-Peiping rift—though existent—offers no immediate hope of violent clashes or breakup of the Communist empire. Rather, the Reds, though differing in tactics—can be expected to continue to cooperate in pushing forward on all fronts to further their aim of world conquest.

Reflecting upon the areas of Sino-Soviet agreement and design—I ask unanimous consent to have the splendid study prepared by the Library of Congress printed in the body of the RECORD.

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

THE DISAGREEMENTS OF THE SOVIET UNION AND RED CHINA

(Prepared by the Library of Congress)

In the face of the welter of opinion currently in circulation on the meaning and implication of the difference of opinion between the Chinese and Russian leaders, perhaps the best way to begin an inquiry into this subject is by trying to determine what these differences do not mean. It ought to be easy to establish at the outset, for example, that the present open disagreements between the two political high commands on vital issues do not mean (a) that they are drifting toward irreconcilable hostility and a possible violent clash; or (b) that the disagreement is a sham operation staged for the purpose of confusing and entrapping the nations of the West.

As the next step in our process of elimination, we can also dispose of the oversimplified version of the Soviet-Chinese differences, all too often reflected in our daily press, according to which (1) the Chinese are ready and anxious to launch a "holy war" against imperialism, regardless of the odds, costs, or the weapons involved; and that (2) the Khrushchev school of politics is so devoted to the notion of peaceful coexistence as to have altogether foresworn violence against the non-Communist world.

We may, in fact, begin with Khrushchev. It is easy to see that far from being a man committed to a fixed approach, Khrushchev has pursued, in a most flexible way, a wide range of action: Diplomatic offers, disarmament campaigns, good will tours, rocket threats, arms on easy credit, commercial blandishments, development loans, technical assistance, threats to wreck the United Nations, as well as the active support of revolution and civil war.

Whatever Mao may believe about each of these tactics in particular, the fact remains that he does not physically possess the same wide range of weapons available to his richer comrade-in-arms. Hence, he may be inclined to belittle the need for flexibility and insist upon the usefulness of more direct, less subtle, methods for undermining the position of the West around the globe.

There is little room for doubt that on the basic world issues the leaders of the two Communist nations see eye to eye. Quite obviously, they agree on the following:

1. That the Communist revolution is sweeping forward relentlessly, "destined by history" to engulf the whole world.

2. That capitalism is receding, "weakened by its own contradictions," by its failure to organize its economic life rationally, its failure to suppress the discontent and revolutionary drive of its downtrodden masses.

On the basis of their common philosophy, therefore, the partners are equally anxious to accelerate the triumph of the Communist cause. Inevitably, too, each partner would like to earn for himself the reputation of being the superior strategist in this "holy war against imperialism" and, hence, more qualified for the role of leadership of the entire Communist camp.

This ambition seems to be basic. Each of the two protagonists of world revolution would like to persuade the other, as well as the lesser fry in the camp, that he has devised the most effective strategy for a quick and certain Communist victory. Yet, both partners must be careful not to press their differences too far. Both must try to avoid disunity and to preserve the fiction that their common ideology helps them to see their role as the "agents of history" in essentially the same light.

However, regardless of the visible public effort for unity, grave and far-reaching differences do exist. These differences may be summed up under the following headings:

PEACEFUL COEXISTENCE

The Soviet Union today is pursuing its interests as a self-conscious world power, something it did not do during the life and times of Stalin. Soviet ambitions under Stalin were indeed as broad as the whole world. Operational policies, however, were limited to the range of the Red Army's artillery. Stalin hoped to carry the revolution forward under the cover of his big field guns. By contrast, Khrushchev is utilizing the power created by Stalin to project the influence of the Soviet Union to all corners of the globe. He is expressing his involvement not only in the language of propaganda but in terms of active political pressure against the West.

The Chinese, too, are pursuing their imperial aims on a global scale. But the difference is this: Khrushchev's world policy is more complex and flexible. He accepts the nuclear stalemate, with its implication that world war has become extremely improbable and undesirable. What is more, he is no longer seriously afraid that someone will start a war. He knows that this is not the problem.

The problem, as Khrushchev sees it, is to devise means for advancing the perimeter of Communist power by indirect means. To do this effectively, he knows he must continue to develop, test, and improve the means of indirect aggression. For this line of policy, Khrushchev wants to feel free to weigh and choose the risks involved at all times, to keep his flexibility, and not to be committed to warlike action by any other member of his own camp.

THE COMMUNES

In the spring of 1958, the Chinese leaders, disappointed over the scale of economic assistance provided by Russia, deliberately struck out along an extreme, radical line of policy, both internally and externally. At their eighth party congress, they launched the now historic great leap forward and proceeded to set up the communes. By the latter move, presumably, China forged ahead of the Soviet Union in "Socialist organization." Pointed criticism of Soviet foreign policy soon began to follow in the Chinese press. But the quarrel was patched up in the winter of 1958–59. This time, the Chinese beat a temporary retreat on their ideological claims for the communes and admitted in public the "leading role" of the Soviet Union in world communism. For this they were rewarded with a substantial new installment of Soviet economic aid in 1959.

THE ATOMIC CLUB

The reconciliation did not last. Khrushchev's flexible diplomacy, especially his trip to the United States in September 1959, left the rulers of China out in the cold. When he stopped in Peiping on the way back from the United States, the cool atmosphere in the relations between the two partners attracted worldwide notice.

Ever since the spring of 1958, the Chinese made no secret of the fact that they wanted to become an atomic power. All they got from the Soviets was help with atomic reactors, but no help in the field of atomic weapons. More than that, the Chinese dreaded the possibility that Russia might agree with the West to close the atomic club. To this day, they continue to remain suspicious of any negotiations on nuclear tests as well as on disarmament in general. They do not want to be frozen out.

DISARMAMENT

Quite openly, the Chinese continue to attack the whole Soviet formula of general and complete disarmament. They label this formula as very effective propaganda, but consider it dangerous to the Communist camp as a source of illusion that could blunt the edge of popular feeling in the struggle against "imperialism." Any step in a scheme for disarmament seems to the Chinese as an accommodation with the West. And any such accommodation would have to come at the expense of open support for revolutionary action in critical parts of the world.

LOCAL REVOLUTIONS

The Soviet leaders find their own flamboyant public championship of peace so useful an asset in their worldwide, zigzag diplomacy that they say, in effect, that local revolutions must in certain circumstances be subordinated to peace. The Chinese, in contrast, hold that revolutions must take precedence over peace, because they help to reduce the power of imperialism and thereby

bring nearer the day of total peace. This conflict between the degree of priority for the peace campaign and the support of revolution lies at the heart of the quarrel over world strategy between the Soviet and Chinese party leaders.

THE CARDS IN KHRUSHCHEV'S HANDS

Both sides are well aware that Russia has the upper hand in this contest for political leadership of the Communist bloc. The two things most needed by China, namely atomic weapon technology and modern industrial capital, must come from Russia. The Soviets do not hesitate to flaunt their superior position. Khrushchev, for example, has made visits of state to India and Indonesia at a time when these countries were engaged in open disputes with China. He has, moreover, intervened directly in the economic, military, and political affairs of the Asian Communist countries located on China's borders. When China was hit by a severe drought and short crop in 1960, Russia kept up the shipment of industrial equipment, at the same time relieving China of the need to ship out her foodstuffs. By this gesture, Russia assumed the role of heavy creditor versus its Asian partner. In 1 year, China incurred a debt of $317 million on her trade with the Soviet Union. The suspension of food shipments to Russia has been extended through 1961.

CHINESE PRESSURE DEVICES

The only weapon China has at her disposal for applying pressure upon her stronger partner is the weapon of direct action in revolutions all around the world. This she has not hesitated to do. China has acted in recent years to intervene directly in revolutionary movements in Asia, in Africa, Latin America. As Russia sees it, action of this sort could work havoc with the planned impact of Soviet diplomacy. It is not that Khrushchev is opposed to the use of threats or civil wars. Rather, he wants to remain master of the situation, free to decide when to shift from threats to blandishments, and vice versa. He does not want anybody else to commit him to the support of an outside revolution.

China, by contrast, is engaged in a worldwide campaign to encourage dissidents to take to the field of battle, on the understanding that they will get help, because it is the duty of Communists everywhere, in the mother country in particular, to support any and all revolutions against the status quo.

A case in point is Algeria. For years the Russians had kept out of the Algerian crisis, in the hope of disengaging France from her alliance with the United States. The Chinese, however, proceeded to force the hand of Khrushchev by offering open aid to the Algerian rebels, who were advised, at the same time, to remind the Russians that it was also their revolutionary duty to help defeat French colonialism. Before long, Khrushchev was forced to make a public statement to the effect that the Algerian rebellion was a "just war," precisely the formula favored by the Chinese.

Another attempt to stage a public reconciliation, between Russia and China, made in June 1960 by Khrushchev at a Bucharest meeting of the world Communist Parties, failed miserably. By August, the verbal brickbats were flying in both directions. The Soviet press pinned the label of "Trotskyist adventurism" on Mao and his followers. A number of Communist Parties began to line up behind one or the other of the two antagonists.

THE INEVITABILITY OF WAR

One specific issue on which the battling leaders cannot agree is the doctrine proclaimed by Khrushchev at the 20th Party Congress (1956) that the prevention of another world war was possible even while capitalism prevails in some parts of the world. The Chinese have never accepted this doctrine. The Soviets, for their part, would like to arrive at a single Communist position on this issue. If they could get this basic idea accepted, they would acquire enough authority over the world Communist movement to prevent confusion within the camp, to enforce discipline in tactical operations. They want to be free to call the signals, to decide when to have revolutions, when and where to take risks, when to unleash a drive for peace or for war. Khrushchev would like to be able to mobilize the forces of the entire Communist bloc under a single authority, the party presidium (Politburo) of the Soviet Union. Thus far, the Chinese have refused to allow Moscow a free hand in the pursuit of its flexible diplomacy.

THE DECEMBER MANIFESTO

The most recent attempt to resolve the differences between the views of the Russian and Chinese parties was made in November 1960, on the occasion of the annual congregation of party leaders in Moscow to celebrate the 1917 revolution in Russia. On that occasion, the discussion among the party leaders proved to be an unusually prolonged affair reflecting the extreme difficulty in arriving at a position acceptable to the parties of the two giant nations.

Finally on December 6, 1960, after almost a month of deliberations, the Pravda published a 14,000-word statement signed by 81 Communist Parties including those of Russia and China.

On the subject of world war, the statement did not go as far as the previous (November 1957) joint statement, in which it was asserted that war "was not fatally inevitable." Instead, the 1960 formula on the subject stated that war "can be prevented by the joint efforts of the world socialist camp, the international working class, the national liberation movement, all the countries opposing war, and peace-loving forces everywhere."

In general, the manifesto bears all the earmarks of a compromise document, worded so carefully as to avoid offending either Moscow or Peiping. Each side could recognize in the text, elements of its own view, especially on the controversial issues of the inevitability of war and peaceful coexistence. Each side could point to parts of the document containing political formulations representing its own position. In substance, nothing has changed. The positions of the two parties remain as far apart as ever before.

However, we must not lose sight of the fact that the main intent of the manifesto, signed by both parties, is to provide a platform around which the Communist Parties of the world could rally support for continuing their attack against the freedom and independence of the nations of the world. All signatories of this document agreed on their common hostility to the status quo and to the process of orderly change, stating that "the interests of the Communist movement require solidarity in adherence to the common tasks of struggle against imperialism, for peace, democracy, and socialism jointly reached by the fraternal parties at their meetings." In short, the clear, open signs of disagreement among the two contenders for leadership over the world Communist forces ought not divert our attention from the high degree of deadly discipline with which the Communist Parties all too frequently act against the sovereign, independent nations that have not taken the precaution of acting in unison with other freedom-loving nations in their common defense for survival.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed. Under the agreement entered into yesterday the Chair lays before the Senate H.R. 7851, Department of Defense appropriations, 1962.

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT], as modified. Thirty-nine minutes remain for debate; 16 minutes under the control of the Senator from South Dakota [Mr. MUNDT], and 23 minutes under the control of the majority leader.

Mr. ROBERTSON. Mr. President, in order to put Senators on notice of the pending business, I ask unanimous consent that I may suggest the absence of a quorum, with the time not to be taken out of the 39 minutes which remain for debate on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. 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. ROBERTSON. Mr. President, I yield 5 minutes to the distinguished Senator from Montana.

Mr. METCALF. Mr. President, I think we should review some of the history of impacted areas legislation. When it was first passed, it was a program to help the areas affected by defense installations; to relieve the impact caused by Army bases. Young men were called into the armed services. Their children attended the local district schools. That attendance caused a severe impact, especially in small towns and small school districts located around military bases. After the first 3 years, the situation began to get worse, and the impacted areas legislation was passed to relieve it.

Members of Congress from the Western States, especially, appealed to Congress for assistance. There has always been Federal impaction in certain areas. The Federal Government supervises the Indian reservations; it operates the Forest Service, which has control of much of the western land. There are the public domain lands. So the impacted areas legislation was gradually expanded to include other Federal officials and employees. At the same time, the temporary, impermanent nature of the defense impact legislation was recognized. Because it did not completely relieve the situation, it was made permanent.

To propose, as an addition to this bill, relief for impacted areas on the basis that it relates to defense is completely

irrelevant. The impacted areas benefits which we seek to extend result from Federal employment on Indian reservations, in the Forest Service, and in other categories. The defense impact, the impact of a man who goes into the armed services and moves on to an Army base or an Air Force base, and sends his children to the adjacent district school, comes under the heading of permanent legislation and is continuous.

I understand that about 30 percent of the payments under Public Law 874 for the operation and maintenance of school districts adjacent to Army bases come under category A, which is permanent and will go forward as a defense impact, whether we adopt the amendment or pass title II of S. 1021.

The other factors are completely irrelevant to the bill. They are important to the senior Senator from South Dakota [Mr. MUNDT] so far as the Indian reservations in his area are concerned; they are important to the Senator from Montana so far as they concern the Forest Service and the public domain land; but they do not relate to the defense impact and have nothing at all to do with defense installations.

Many of the impacts are such that they should be studied and evaluated. Many of the elements which caused genuine impacts 10 years ago, when the legislation was first considered and first passed, no longer cause impacts in the communities. As I stated the other day, one of the big advantages of title II of S. 1021 is that a study and a report will be made by the Department of Health, Education, and Welfare to enable Congress to reconsider the whole problem of temporary legislation, with a view to restoring the equities.

Located in Montana is Fort Harrison Veterans Hospital. The children of the employees at Fort Harrison are included within the benefits of the impacted areas legislation. They come into the city of Helena and attend the public schools there. They are the so-called category B children. Those people pay taxes to the community for those benefits just as any other citizens.

We should consider the fact that that impact, just as the impact across the river from Washington, in Arlington, Alexandria, and other places adjacent to the District of Columbia, is not of the same kind as was sought to be provided for in the original legislation. That is why this proposal on an appropriation bill, this attempt to consider complex, complicated legislation to cover a situation which has grown and expanded over the years, is completely irrelevant and should not be considered at this time. It is really not germane to the question involved here at all. Really, the proposal should have been offered to the Department of the Interior appropriation bill, to a bill appropriating money for the Forest Service, or to an agriculture bill. Then it would have been much more relevant and germane. The impact which we are considering is that type of impact, not a defense installation impact.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. BUSH. Mr. President, will the Senator from South Dakota yield me 3 or 4 minutes?

Mr. MUNDT. Mr. President, may I inquire as to the time remaining on both sides?

The PRESIDING OFFICER. The Senator from South Dakota has 16 minutes remaining; the Senator from Montana has 18 minutes remaining.

Mr. MUNDT. Mr. President, I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I strongly support the amendment of the Senator from South Dakota. Late in June, I visited the town of North Stonington, in southeastern Connecticut, where I addressed the graduating class of Wheeler High School. There I had the opportunity to talk with Karl Ginand, the superintendent of schools for Bozrah, Franklin, Lisbon, North Stonington, Preston, and Voluntown, all neighboring towns in that area, under the jurisdiction of the Bureau of Rural Services of the State of Connecticut. He pointed out to me the pressing need for assistance under Public Law 874; and he has given me figures relating to these six towns. They show that the number of federally connected pupils in those schools was 18 percent of the total enrollment, as of October 1960, the beginning of the last school year, whereas under Public Law 874 the entitlement from the Federal Government would be only $29,308, out of a budget of $656,000, or only 5 percent. In other words, although 18 percent of the pupils are federally connected, only 5 percent of the budget comes from the Federal entitlement under Public Law 874.

Mr. President, in my State there are other towns where the Federal Government has created an intolerable situation in regard to our schools; and it is absolutely unrealistic to expect a community to go without help when it receives a big neighbor like the Federal Government, which brings many families there and is putting very heavy extra burdens on the school system and also on the other services of the area, for additional police protection is needed, and additional public works are needed. For instance, the highways are worn out because of these penetrations by the Federal Government.

Especially is help needed in the field of education, which generally accounts for at least one-third of the budget in almost any community—one-third to one-fourth is not unusual, I believe.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The time yielded to the Senator from Connecticut has expired.

Mr. BUSH. May I have 1 more minute?

Mr. MUNDT. I yield 1 more minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 more minute.

Mr. BUSH. So, Mr. President, I think we should take advantage of this opportunity to assure these towns that they will not be left high and dry.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, the letter which the superintendent of schools, Mr. Ginand, has addressed to me, and also the enclosures with his letter; and I make a similar request in regard to a letter I have received from Herbert J. Duke, secretary of the Board of Education of Windsor, Conn.

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

STATE OF CONNECTICUT,
BUREAU OF RURAL SERVICES,
Norwich, Conn., July 31, 1961.

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BUSH: This office serves six towns in southeastern Connecticut. In acting as the superintendent of schools to these six towns—Bozrah, Franklin, Lisbon, North Stonington, Preston, and Voluntown—I have certain responsibilities relating to the public schools of these towns and not the least of these responsibilities are those relating to the costs of education.

Each of these towns has a sufficient number of families so that we have been able to qualify for certain assistance under Public Law 874 and to a lesser extent Public Law 815.

With the shelving of the general aid to education bill the above-named funds would no longer be available to these communities unless something is done. I have prepared and attached a summary of the amounts of money that each of these towns is likely to receive for children who have been federally connected during the most recently completed school year. Further, it shows the total current expenses for all children. It is fairly obvious that moneys received under Public Law 874 is a significant item in this area.

In two of these towns, Preston and Voluntown, the respective boards of education have instructed me to communicate with you in their behalf. Those communications are enclosed. In two of the other towns, Franklin and North Stonington, it was agreed that communications would be sent to you by an officer of the board of education. I have not met with the boards of education in Bozrah or Lisbon since the general aid to education bill was shelved by the House Rules Committee, and I, therefore, am not privileged to speak officially for them. I do believe, however, that the figures speak for themselves. I believe that you may be even more aware than I that the several Federal installations in this area are vital parts of our communities economy, and most of us are ready to admit that the presence of these installations do serve in a marked degree to pump a significant flow of dollars into certain aspects of the communities financial life. However, the federally connected children do represent an additional expense insofar as educational costs are concerned, and particularly in our suburban communities such as are served by this office, these additional school costs are not compensated for by an equal amount of additional incoming finances.

We know that you will want to keep this in mind as you work on matters of legislation in the very near future.

Very truly yours,

KARL D. GINAND,
Superintendent of Schools.

Implications of Public Law 874 funds—Bozrah, Franklin, Lisbon, Preston, North Stonington, Voluntown

[The towns served by the Norwich office, Bureau of Rural Services, Connecticut State Department of Education]

Town	Number of pupils federally connected Oct. 31, 1960 [1]	October 1960 enrollment [2]	Public Law 874 entitlement, year ending June 30, 1961 [3]	Current expenses, 1960-61 [4]
Bozrah	46	330	$3,868	$92,242
Franklin	8	142	350	45,765
Lisbon	64	336	5,141	108,028
North Stonington	118	509	9,591	182,261
Preston	85	437	7,235	144,401
Voluntown	41	244	3,123	83,768
Total	362	1,998	29,308	656,465

[1] As per RSF-1 form, p. 4, table 2A (U.S. Office of Education form).
[2] Enrollment figures for towns of Bozrah, Franklin, and Preston are for elementary only because grades 9 through 12 attend a private school not eligible for Public Law 874 funds. Lisbon enrollment is composed of 314 elementary, and that portion of grade 9 through 12 pupils who attend a public school eligible for Public Law 874 funds. Enrollments for North Stonington and Voluntown are for grades 1 through 12.
[3] Public Law 874 entitlement, year ending June 30, 1961, may be subject to corrections upon final review by U.S. Office of Education representative. The figure for Franklin is our estimate. In this town present federally connected pupils are insufficient to qualify under a new application but Purtell amendment appears to entitle the town to such funds as would be applicable to pupils presently federally connected.
[4] Current expenses 1960-61 are to nearest whole dollar and as they will be reported on Connecticut State Department of Education statistics form I for the school year 1960-61. The expenses listed cover grades 1-12 in Voluntown and North Stonington; grades 1-8 in Bozrah, Franklin, and Preston; and for Lisbon, grades 1-8 and those pupils in grades 9-12 who attend a public high school on a tuition basis. (See footnote 2 above.) The figures as given in the table may be subject to some minor adjustments.

In addition to the Public Law 874 funds at least two of these towns have either received or have been declared eligible to receive Public Law 815 funds. For a recently completed addition in North Stonington some $44,000 was so obtained and an application in behalf of Lisbon amounting to $19,500 has been approved.

STATE OF CONNECTICUT,
BUREAU OF RURAL SERVICES,
Norwich, Conn., July 25, 1961.

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BUSH: At a meeting of the Preston Board of Education, held on July 24, it was regularly moved, seconded, and unanimously voted to instruct the superintendent of schools to communicate with you relative to the implications of the discontinuation of certain Federal assistance. Specific reference was to Public Law 874.

If aid under this program is discontinued as we understand will be the situation with the shelving of the Federal aid to education program, the town of Preston will tend to lose some $7,000. The exact entitlement, based upon our application for aid for the 1960-61 school year was $7,235. Although this amount is relatively small compared with grants received in certain larger communities it nevertheless is significant in that this represents just about 3 percent of the total school budget for the forthcoming year. It also represents about 1½ mills based upon the local tax structure.

The Preston Board of Education respectfully requests that you give this matter your earnest consideration.

Very truly yours,
KARL D. GINAND,
Superintendent of Schools.

STATE OF CONNECTICUT,
BUREAU OF RURAL SERVICES,
Norwich, Conn., July 31, 1961.

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BUSH: At the meeting of the Voluntown Board of Education held on July 25, the superintendent was instructed to communicate with you concerning that part of the general aid to education bill which relates to Public Law 874. Voluntown does qualify as an area in which federally connected children make the town eligible for certain Public Law 874 funds.

For the recently completed school year, entitlement to funds was nearly $3,000 from a total school budget of just under $84,000, or very nearly 4 percent of total current expense.

The Voluntown Board of Education requests that you give this matter your consideration.

Very truly yours,
KARL D. GINAND,
Superintendent of Schools.

BOARD OF EDUCATION,
Windsor, Conn., August 1, 1961.

The Honorable PRESCOTT BUSH,
The U.S. Senate,
Washington, D.C.

DEAR SENATOR BUSH: The town of Windsor is vitally interested in the extension of Public Law 874. The failure of Congress to extend this law will not only work a hardship on the people of Windsor but nearly all of the people of central Connecticut.

The Windsor Board of Education urgently requests you to assist in any way possible the favorable consideration of Senate bill 1678 or H.R. 5349.

Your prompt attention to this matter will be appreciated by all Windsor residents.

Very truly yours,
HERBERT J. DUKE, *Secretary.*

Mr. ROBERTSON. Mr. President, does the proponent of the amendment wish to use additional time at this point?

Mr. MUNDT. I suggest that the opponents now use some of the time available to them.

Mr. ROBERTSON. Very well; inasmuch as the opponents have available at this time 5 minutes more than does the proponent, I yield 3 minutes to the Senator from Pennsylvania [Mr. CLARK].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. CLARK. Mr. President, I should like to make four points in opposition to the pending amendment.

First, the procedure under which we are operating now is entirely unsound. General legislation on an appropriation bill is not the way for the Senate to express its will. All through Anglo-Saxon parliamentary history, for well over 100 years, going back to the foundation of our Republic, sound students of legislation have been in accord that general legislation on an appropriation bill is wicked and vicious, and is not the candid, frank, and proper way to pass important legislation.

It is true that the Senate rules provide that by two-thirds vote the rule can be suspended; and of course the Senate must be in a position to work its will whenever a very large majority believes that should be done. Of course there are exceptions to every rule. But certainly this is no case in which to violate the sound, general rule that legislation on an appropriation bill is all wrong. So on this procedural point, I urge my colleagues to support the general proposition that the Senate is not going to make an exception in this case to the sound, general rule that we must not permit general legislation to be attached to an appropriation bill.

My second argument is by way of rebuttal to the suggestion that we who supported Senate bill 1021 are holding the impacted area legislation as a hostage, in order to require passage of that bill by the other body. I am frank to admit that this I intend to do, to the extent of my ability. In the somewhat less than 5 years that I have been in the Senate, I have noticed, year after year, how it would have been impossible every year to get decent housing legislation unless we held FHA extension as a hostage, so as to insist on the enactment of sound legislation in the areas of public housing and urban renewal. The lobby interests in this country are strong. I have no doubt that otherwise a majority of Senators would have voted to pass extensions of the FHA, year after year, and would have turned their backs on the problem of slum clearance and would have turned their backs on the small people of this country who cannot afford a safe, sanitary, and decent home.

The PRESIDING OFFICER. The time yielded the Senator from Pennsylvania has expired.

Mr. CLARK. Mr. President, I should like to have 2 minutes more, if I may.

Mr. ROBERTSON. Mr. President, I yield 2 additional minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 more minutes.

Mr. CLARK. Mr. President, we who serve on the Banking and Currency Committee, despite the able opposition of its chairman—and I smile at him as I say this—have, nonetheless, succeeded in keeping majorities that insist that FHA legislation shall be a part of urban renewal and public housing legislation. We prevailed in the committee and on the floor, and I am glad we did; and I hope we prevail again in the same area, where impacted area legislation is sought to be divorced from Federal aid to education generally.

My third point is that those who want to see impacted area legislation passed at this time are clearly in favor of Federal aid to education for some, but not for others. In my judgment, the distinction is ingenuous; and it may even be ingenious. But it is utterly unsound. If it is wise to have Federal aid to education in impacted areas, certainly it is

equally wise to have Federal aid to education generally.

Pennsylvania has many school districts which will be affected both under category B aid and category C aid to impacted areas; and my vote on this measure will not be very popular back home. But it is sound and it is wise.

As my fourth point, I ask that Senators stick to their guns. The Senate passed a good bill in Senate 1021. Let us keep the feet of the other body to the fire and get them to pass that bill and send it to conference, and have the victory that President Kennedy would like to see us give him—a sound Federal aid to education bill which includes assistance to impacted areas, but does not single out that measure as one to be removed from the other salutory and, in my judgment, far more important parts of a Federal aid to education bill.

Mr. MUNDT. Mr. President, I yield 2 minutes to the Senator from California [Mr. KUCHEL].

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. KUCHEL. Mr. President, I wish to say I completely and vigorously disagree with my friend, the Senator from Pennsylvania.

I happen to be a U.S. Senator who has voted, under both this administration and the prior administration, for Federal aid to education. I support the principle that we should continue to discharge a moral obligation to the people of the United States and thus should continue to provide Federal assistance to impacted school districts.

Some persons oppose any kind of Federal school legislation, including assistance to impacted school districts.

Just the other day, one distinguished Member of Congress with great glee pointed to the impasse in regard to school legislation that has developed in the Rules Committee of the House of Representatives. He said that one of the great byproducts of the impasse is that we are going now to get rid of assistance to federally impacted school districts.

Mr. President, I hope he is wrong. But the fact of the matter is that at the moment, apparently, every piece of school legislation is locked up in the House Rules Committee.

For more than 10 years the Congress has authorized, under legislation originally sponsored by the late, great Senator Robert A. Taft, of Ohio, Federal assistance to areas which constitute federally impacted school districts in America.

Now the law is dead with respect to about 75 percent of the students who attend impacted school districts; and if this Congress fails to resuscitate that legislation, it will have done a frightful disservice to the American people.

So I simply say that here is an opportunity for Members of the Senate to continue to discharge a moral and equitable responsibility of the Federal Government to the people of the country. I hope my friends on the Democratic side will join with us over here on the Republican side to suspend the rules, to approve our amendment continuing aid to impacted school districts, all 4,000 of them, and send this bill to the House of Representatives.

Mr. MUNDT. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio [Mr. LAUSCHE], a cosponsor of the amendment.

May I at this time ask unanimous consent that the Senator from Maryland [Mr. BEALL] be added as a cosponsor of the amendment?

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

Mr. LAUSCHE. Mr. President, I recognize the deep sincerity of the Senator from Pennsylvania in the presentation of his views on the item now pending before the Senate. He contends it is wicked and improper to attempt to amend this bill, providing for appropriations, with the proposal to make certain that the impacted areas will get help. My view, on the contrary, is that the act of tying the impacted areas law into the new proposal to give Federal aid to schools is the error that has been committed. These subjects are different. Providing aid for the impacted areas borders practically upon a legal obligation, without any declaration being made in any law that it should be done. It would be unconscionable not to aid those communities that have been burdened with a responsibility far beyond what their local tax ability is able to carry. Federal bases have been established, Federal military men have been sent into the communities. I submit that those people ought not to be made to bear the obligation of paying the expense of teaching the children of these transients.

On the question of general aid to schools, it is thoroughly obvious that it falls into a different category. There is practically unanimity of opinion that aid should be granted to impacted areas. There is a serious difference about the propriety of the Federal Government financing the operation of the schools, either in whole or in part. If there is a difference in those two subjects, then they should not have been tied into one bill at the beginning.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. May I have 1 more minute?

Mr. MUNDT. I yield 2 more minutes to the Senator from Ohio.

Mr. LAUSCHE. The other day I made the statement that there is current the story that, under present conditions in the Congress, no aid to impacted areas will be accepted unless we approve general Federal aid to public schools. I said that it was blackmail in attaching to our right to obtain what justly belonged to us a condition that we do an act against our will. Perhaps that term was too severe, because the term "blackmail" sometimes connotes criminality. If the term "blackmail" was too severe, I probably should have used the word coerce, intimidate, compel, bludgeon, pressure, or a word of that character. It is one of those words that I want to use today.

The effort to compel the acceptance of the general proposition that the Federal Government should finance the operations of our schools as a condition for obtaining aid to impacted areas in my mind, is bludgeoning, coercing, intimidating, and should not be tolerated.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. ROBERTSON. Mr. President, I yield 2 minutes to the distinguished Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I want to make several pleas to my colleagues on both sides of the aisle, but particularly to my colleagues on this side of the aisle. Shortly we are going to vote on whether or not we are going to sustain our majority leader, because the majority leader, in my judgment, ought to have every presumption in his favor in handling the procedures of the Senate and the legislative program of the Senate. In my judgment, this attempt is really one to take the leadership of the Senate away from the majority leader in regard to this parliamentary situation.

Second, I point out that, in my opinion, this effort is an affront to the legislative committees of the Senate. This matter belongs, not in the Appropriations Committee, but in the Committee on Labor and Public Welfare. I think it will be a sad day in the Senate if we start getting a train of precedents established by which we pass over to the Appropriations Committee the legislative functions of the Senate. That is what this effort adds up to.

Next, I want to make the plea—and I speak as chairman of the Subcommittee on Education, and the majority leader and members of the committee know whereof I speak when I say this—that great progress is being made with regard to educational legislation.

I can say that over on the House side there are daily conferences going on, as well as many conferences between leaders of the House, the White House, and the Department of Health, Education, and Welfare, about what is going to be done upon the education legislative program. Only yesterday I talked to the Secretary of Health, Education, and Welfare. He advised me that, through House channels, there will be submitted to him early next week, and, through him, to the White House and to my Subcommittee on Education, some proposals for breaking the so-called bottleneck in the House on education legislation. Therefore, I wish to say, from the standpoint of orderly procedure in the Senate, the proposal of the Senator from South Dakota ought to be overwhelmingly voted down.

I point out that there are Senators who voted against S. 1021, including the Senator from South Dakota. I can well imagine that fact is not a very happy fact for them, because S. 1021 contained a 3-year extension of federally impacted areas legislation. The Senator from South Dakota had an opportunity earlier to continue federally impacted areas legislation in the field of education, but he voted against S. 1021. I know there are other Senators with a similar voting record who are making a great plea this morning to give over the legislative functions of the Labor and Public Welfare

Committee to the Appropriations Committee. They wish us to follow a course of action today which is a mistaken one.

Furthermore, let me say, on the substantive question, some of the most seriously impacted schools in the country are not federally impacted schools at all. The Senate will stir up a great storm in all educational circles in this country. Senators will find that thousands upon thousands of school administrators and teachers will be embittered over any such proposal as is being made, because in too many schools, that are not the so-called federally impacted area schools, classrooms are being held in cellars, cafeterias, gymnasiums, and stages. In some areas school authorities are borrowing places in the neighborhood in which to hold classes.

So far as education in this country is concerned, this is a totality problem. We should not draw the line of discrimination among the schoolchildren of America which the Senator from South Dakota is proposing to draw this morning.

We should take the time necessary to work out with the House an education bill which we can all accept, or with which a majority of us can go along, which will include a continuation of Public Laws 874 and 815.

The pending motion is a parliamentary tactic, I say most respectfully, on the part of some who are simply opposed to any Federal general aid to education, although at the same time they are strongly for Federal aid to education for one-third of the schoolchildren of America. That is what is involved in Public Laws 874 and 815.

This is not fair. In my book, it is not cricket. I do not think that is the proper way to treat the schoolchildren of this country. I think we ought to do as the Senator from Pennsylvania [Mr. CLARK] and the Senator from Montana [Mr. METCALF] said earlier in the debate. We ought to recognize that we have an obligation to all the schoolchildren in this country.

I happen to think we ought to consider the problem in its totality, and not to draw the kind of discriminatory lines being proposed by the Senator from South Dakota this morning.

Mr. President, Senators can forget about me, but in behalf of my committee, I wish to say that I know what my committee has done this year. I know the hours of work the committee members have put in, for they are dedicated men. I would not be much of a chairman of the Education Subcommittee if I did not stand up on the floor of the Senate this morning to protest what I consider to be an affront to my committee, because I think my committee deserves the confidence of the Senate. I think we have earned the confidence of the Senate. I think we should be given the time necessary to continue our work. As I have said, we are working daily with the Representatives of the House and with the Secretary of Health, Education, and Welfare to try to get this problem handled satisfactorily through the proper legislative processes of the Senate. This should be done through members of the appropriate legislative committee, rather than to relegate, or to delegate, to the Appropriations Committee a legislative function of a legislative committee.

Now, Mr. President, I raise a point of order that the amendment of the Senator from South Dakota is out of order because it constitutes legislation on an appropriation bill. I understand that the point of order has to be raised before we can consider the motion of the Senator from South Dakota to suspend the rules, because the point of order has to be raised in order to bring forth a motion to suspend the rules. I make the point of order.

Mr. MUNDT. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. MUNDT. I concede the point of order. It was on that basis I gave notice of the motion to suspend the rules.

Mr. MORSE. Mr. President, will the Senator yield in my time?

Mr. MUNDT. According to the notice I served on the Senate, I now move to suspend the rules.

Mr. MORSE. Mr. President, will the Senator yield in my time? I have a right to have a ruling from the Presiding Officer on my point of order. I do not have to accept the concession of the Senator from South Dakota, and I do not. I want an official ruling on my point of order from the Presiding Officer that the amendment of the Senator from South Dakota is out of order.

The PRESIDING OFFICER. The Senator has 3 minutes of time for debate upon the point of order, and then the ruling may be made.

Mr. MORSE. I do not wish to debate on the point of order. My point of order does not need debate. Anyone can take judicial notice of it. I simply wish to have a ruling from the Presiding Officer as to whether my point of order is well taken.

The PRESIDING OFFICER. The Senator from South Dakota has 3 minutes.

Mr. MORSE. I thought the Presiding Officer said I had 3 minutes. I beg the Presiding Officer's pardon.

The PRESIDING OFFICER. Then the Chair will decide the question of the point of order. The Senator from South Dakota has the floor.

Mr. MUNDT. Mr. President, if a point of order is to be raised I assure you the Senator from South Dakota has a great deal more time at his command than 3 minutes. I now move to suspend the rules. Has the Presiding Officer ruled on the point of order?

The PRESIDING OFFICER. Then the Chair will rule on the point of order. The amendment of the Senator from South Dakota [Mr. MUNDT] would extend two public laws from 1961 to 1964. It would amend the act of September 30, 1950, and the act of September 23, 1950, by extending them to American Samoa. The amendment is therefore legislation, and the Chair sustains the point of order of the Senator from Oregon.

Mr. MUNDT. Mr. President, pursuant to the notice which I filed on the clerk's desk 24 hours before the bill was considered, I now move to suspend the rule so that we may proceed to vote upon this amendment, which is concededly legislation upon an appropriation bill. For that reason, I gave due warning I was going to follow this procedure.

The PRESIDING OFFICER. The purpose of giving notice for the motion the Senator suggests, specifically, is to suspend paragraph 4 of rule XVI.

Mr. ROBERTSON. Mr. President——

Mr. MUNDT. Mr. President, I have the floor.

Mr. ROBERTSON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MUNDT. Mr. President, I am not prepared to make a unanimous-consent agreement at this time. I make a point of order that a quorum is not present.

Mr. ROBERTSON. Mr. President, will the Senator withhold that?

Mr. MUNDT. I withhold it.

Mr. ROBERTSON. Mr. President, I ask that we have the yeas and nays on the Mundt amendment. I ask that the yeas and nays be ordered on the Mundt amendment.

Mr. MORSE. On the motion?

Mr. ROBERTSON. On the motion to suspend the rules. I ask for the yeas and nays.

Mr. MORSE. That is not on the amendment; that is on the motion.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, I now make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MORSE. Mr. President, I raise a point of order.

Mr. MANSFIELD. Mr. President——

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. How much time does the Senator from South Dakota have remaining to discuss his motion to suspend the rules?

The PRESIDING OFFICER. There is no additional time on the original amendment because, by virtue of the ruling of the Chair sustaining the point of order, the remaining time was extinguished.

Mr. MORSE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is the Senator from Oregon correct in his understanding that after the quorum call the Senate will proceed immediately to vote on the motion of the Senator from South Dakota to suspend the rules?

The PRESIDING OFFICER. The motion to suspend the rules is debatable; therefore, debate will continue on the motion after the quorum is obtained.

Mr. MORSE. And the motion to suspend the rules is subject to unlimited debate?

The PRESIDING OFFICER. There is no limit on the debate.

Mr. ROBERTSON. A parliamentary inquiry, Mr. President. Was not a limit put on the amendment and everything pertinent thereto? Everything pertaining to the amendment was limited to 30 minutes on a side. I understood that was the unanimous-consent agreement. We did that so we would not be plunged into an interminable debate.

Mr. MUNDT. A point of order, Mr. President. No such agreement was arrived at. We made an agreement on the amendment and amendments thereto. This is not an amendment, because the point of order raised by the Senator from Oregon knocked out the amendment.

The PRESIDING OFFICER. The understanding of the Chair, in answer to the Senator from Virginia, is that by virtue of the point of order having been raised and sustained, the amendment is obliterated, and also all amendments that were appertaining thereto.

Mr. MORSE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is it not necessary to raise a point of order to the amendment in order to place the amendment in a category that it would require a a two-thirds vote to agree to the motion to suspend the rules; otherwise, the amendment could have been considered and agreed to by a majority vote?

The PRESIDING OFFICER. Will the Senator restate his request?

Mr. MORSE. Was it not necessary to raise the point of order against the amendment in order to subject the amendment to a requirement of a motion to suspend the rules, which motion would require a two-thirds vote, because in the absence of a point of order against the amendment, the amendment could have been considered on the basis of a majority vote?

The PRESIDING OFFICER. The Senator is correct.

Mr. MORSE. May I say that we are now confronted with a technicality in regard to a unanimous-consent agreement. I respectfully submit, as pointed out by the Senator from Virginia [Mr. ROBERTSON], it was the understanding of the Senate last night that we had entered into a unanimous-consent agreement to have debate for 30 minutes on each side. The procedure was proposed by the Senator from South Dakota [Mr. MUNDT]. The essence of the procedure was to vote on whether or not we were going to suspend the rules. In my judgment, such action was clearly contemplated and understood in connection with the unanimous-consent agreement, and I regret if we have gotten to the point, before we enter into a unanimous-consent agreement here, that we must spell these things out in great detail and raise all possibilities in regard to any possible way of debating the clear intent of the agreement. I am satisfied that the clear intent was to take 30 minutes on each side to discuss the question as to whether or not we would suspend the rules by a two-thirds vote.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MANSFIELD. I must say that I agree 100 percent with what the distinguished Senator from Oregon [Mr. MORSE] has said. When the Senator from South Dakota announced to the Senate that he would move to suspend the rules to consider his amendment on the impacted areas school bill, he was well aware of the fact, I am sure, that his motion would require a two-thirds vote. The proposal for the agreement that was reached yesterday as originally made by the Senator from South Dakota was that an hour be allocated to his amendment, and that he would be satisfied. I discussed the question with the chairman of the subcommittee. He said he was agreeable. I discussed it with the distinguished minority leader. He was agreeable. On that basis it was my understanding that when the motion was considered, the vote would come at the end of an hour's debate, and that a point of order had to be raised to keep in accord with the spirit of the proposal offered by the distinguished Senator from South Dakota.

On that basis I told certain Senators that that would be the case. I urged them to be back here by 11 a.m. today, at the earliest, if they could do so. Some Senators could not keep engagements. Others had to speed up engagements. The result is a situation which I am sure has not been fully understood. I hope that now it is being fully explained. In good faith it was my understanding that there would be an hour's debate on this particular amendment, that there would be of necessity a point of order raised, and that the point of order would be sustained. It was understood that the motion of the Senator from South Dakota for a suspension of the rules would be allowed, and on that basis a two-thirds vote would be necessary.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. ROBERTSON. Several members of the Appropriations Committee had important engagements for today. They were very anxious to finish consideration of the bill yesterday. We had hoped and expected to conclude the consideration yesterday. We were interrupted by the priority status of the agricultural conference report. Unfortunately, consideration of the conference report required an hour and a half. Then, when it was doubtful as to whether we could finish consideration of the bill, I conferred with my distinguished colleague, and I said:

> Every Senator knows whether he wants to vote for or against aid for impacted areas. Let us limit the debate. Will 30 minutes be sufficient?

He said:

> No, we want an hour; 30 minutes on each side.

So we agreed. We agreed to do what? The Senator from South Dakota had filed a motion to suspend the rules. Every Senator knew that such motion would be subject to a point of order unless we suspended the rules. We knew the agreement related to a motion to suspend the rules, and that, if the motion carried, there would be action on the motion to adopt the amendment. So I hope that we will carry out the spirit of the amendment and not find ourselves debating anew all afternoon this subject, with which every Senator is thoroughly familiar.

Mr. MUNDT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. MUNDT. I certainly never intended to engage the Senate in a sham battle. I offered my amendment in good faith. My amendment was to add the title of the impacted aid to schools provisions to the bill. It had nothing to do with a point of order. It had been rumored that someone would raise a point of order, and considering the possibility of such action, because of the parliamentary legerdemain employed the day before, I took the precaution to file a motion to suspend the rules in the event that action should take place. Up until the time the point of order was raised by the Senator from Oregon [Mr. MORSE], no Senator from the other side had told me that he intended to raise a point of order. Senators have a right to do so. I had a right to suspect that they would do so. The Senator from Oregon did do so, thereby denying me the concluding remarks that I had intended to make in the time remaining to me. Therefore, I have made an altogether different motion, in conformity with the rules of the Senate, which is the one I served notice in advance I would make, and it is of course debatable. I now propose to debate it.

I checked the point with the Parliamentarian in advance. I said:

> If they are going to let us go through a sham battle on my amendment to provide assistance for schools in impacted areas and then raise a point of order and move to suspend the rules, would such a motion be debatable?

He said, "Yes."

The Chair has so ruled. So the motion is debatable.

The Senator from South Dakota is perfectly willing to accept a reasonable length of time for debate on the new motion, but he does not expect to be taken out of court by any type of parliamentary legerdemain.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. ROBERTSON. I am perfectly willing to concede that the Senator did not expect to lose the remaining 3 or 5 minutes that he had reserved under the time limitations. On this side, 3 minutes remain. Would the Senator from South Dakota be willing, after we have a quorum call, to finish within the time which he would otherwise have?

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. How much time do we have remaining?

The PRESIDING OFFICER. All time has elapsed. The question properly should be how much time would there have been remaining.

Mr. ROBERTSON. How much time would there be remaining if time had not been cut off by the point of order?

The PRESIDING OFFICER. Three minutes.

Mr. ROBERTSON. The Senator from South Dakota had 3 minutes?

The PRESIDING OFFICER. The Senator from South Dakota had 3 minutes remaining.

Mr. ROBERTSON. The Senator from Montana also had 3 minutes remaining.

Mr. President, I ask unanimous consent that, after a quorum call, the Senator from South Dakota be given 5 minutes to conclude his debate.

Mr. MUNDT. Mr. President, I wonder if that time would be sufficient, with this new development.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the Senator from South Dakota be given 10 minutes.

Mr. MUNDT. Mr. President, reserving the right to object, I wish to say that after a quorum call to establish the fact that a quorum is present, the Senator from South Dakota is perfectly willing to limit the time to 10 minutes on a side in order to discuss the motion before the Senate, which is a motion to suspend the rules.

Mr. MANSFIELD. Mr. President, will the Senator make a unanimous request at this time with that understanding?

Mr. MUNDT. I so request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

Mr. DIRKSEN. Mr. President, reserving the right to object—and I would like to have the attention of the distinguished Senator from Oregon [Mr. MORSE]—the record is pretty clear that the limitation of time was on the amendment and not on the motion to suspend, as I read the record.

If the time on the amendment has been concluded, is the Senator from Oregon willing then to accept the time limitation on the motion to suspend so that the RECORD will be clear on that point?

Mr. MORSE. I did accept it.

Mr. DIRKSEN. I merely wanted to be sure that the language would be incorporated in the RECORD, so that there can be no misconception.

Mr. MORSE. I am perfectly willing to accept an agreement on debate on the motion to suspend, but I wish to say to my friend that the RECORD is not nearly as clear as the Senator from Illinois seems to think it is. I think we all know what agreement we entered into last night. We all knew that we were entering into a package disposal of the problem.

Mr. DIRKSEN. Mr. President, I ask the distinguished Senator from Virginia if he will restate specifically his unanimous consent request.

Mr. MUNDT. It was the Senator from South Dakota who made the unanimous consent request. My request was that the debate on the motion to suspend the rule be limited to 20 minutes, 10 minutes on a side. It was not stated, but I am sure it was understood, that 10 minutes would be under control of the majority leader and 10 minutes under the control of the maker of the motion, the Senator from South Dakota.

The PRESIDING OFFICER. Does the Senator from Virginia understand that to be the request?

Mr. ROBERTSON. That was my understanding. It is perfectly agreeable to me.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. MUNDT. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. The time for the quorum call will be outside the allotted time, as I understand.

Mr. MUNDT. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MUNDT. 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. MUNDT. Mr. President, I yield myself 5 minutes.

The issue is pretty clear now. It was for that reason that I agreed to this new sharp limitation of 10 minutes on a side. Every Senator knows by now that the purpose of the motion to suspend the rule is to make it in order for the Senate, by a simple majority, to pass impacted school aid legislation, which is so desperately needed.

We are now well into the first week of August. All over the length and breadth of this land school administrators in impacted areas are concerned about the fact that they cannot make arrangements for the opening of their schools because legislation upon which they depend for a part of the money to meet the increasing needs of the schools for their schoolchildren in impacted areas is not forthcoming, because the law has expired. They cannot make financial commitments based on a vague hope Congress will enact new legislation in sufficient time.

I believe the Senate is pretty well agreed as to the need of the legislation. Therefore, the question comes: "When do you want it? Do you want it in time to be helpful, or do you want to continue to keep impacted aid legislation as a political pawn, or as a club to force some reluctant Members into voting for overall Federal aid to education?"

That is clearly the issue. The Senator from Oregon and the Senator from Montana were forthright enough to state it, although not in quite as blunt terms as I have put it. But the implication is just as clear. And so is the issue.

So far as its being an affront to any committee is concerned, that argument I reject out of hand. I hope we do not develop a royal family so complex in Congress so that every time an amendment like this is offered it will be said, "This is an affront to a legislative committee. Oh, this is an affront to the chairman. This is an affront to the majority leader."

We might as well close up shop and go home, if it is going to be considered an affrontery to offer amendments on the floor of the Senate which some committee chairman or even the majority leader might oppose.

The issue is clear. Do we want to provide impacted area school aid legislation this year, in time to help the communities involved, or do we want to gamble with the political power operations going on in the Rules Committee in the other body, or hope that it may be possible to bang enough heads together to get some other kind of legislation passed?

Even if that is done, the legislation will not come out until September or October or November, and then we shall have lost an entire school year.

I submit that this issue is too important to do that, and the Senate should be too independent and too influential a branch of Government to let this matter be used as a pawn by political bigwigs, while the schools continue to suffer. That is why we want a rollcall on this issue, to provide an opportunity for Members of the Senate to stand up and be counted as to whether they want to make this aid available this year in time to be helpful, or hope that it may be made available later, after the school year has opened, or hope that perhaps the power and the sugar and the persuasion involved may be able to get enough votes to get enacted S. 1021, which also contains this type of legislation.

Mr. President, I reserve the remainder of my time.

Mr. ROBERTSON subsequently said: Mr. President, in order to show the basis on which the Parliamentarian ruled that the debate was limited to the amendment, and did not apply to the motion to amend the rules, I ask unanimous consent to have printed, just before the Chair ruled on that question, the language of the unanimous-consent agreement of yesterday.

There being no objection, the unanimous-consent agreement was ordered to be printed in the RECORD, as follows:

Mr. MANSFIELD. After consulting with the Senator in charge of the bill, the Senator from South Dakota, and leaders on both sides, I wish to propound a unanimous-consent request.

I ask unanimous consent that 1 hour be allocated on the pending amendment, one-half hour to be allotted to the Senator from South Dakota [Mr. MUNDT], and one-half hour to the majority leader.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. BUSH. Madam President, reserving the right to object, I think this is an important question, and I would like a little time on it. Cannot the time be stretched a little?

Mr. MANSFIELD. I may inform the Senator that this time has been agreed to. It has been thoroughly discussed. I hope on

this occasion the Senator will not insist, because he will get time from this side.

Mr. BUSH. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. ROBERTSON. Mr. President, I yield 5 minutes to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, I shall simply reiterate what I said earlier. First, there is no question that this proposal is an attempt to legislate on an appropriation bill. There is no question that it is an attempt to transfer to the Committee on Appropriations the legislative function in a field which ought to be reserved to the proper legislative committee. The Senator from South Dakota denying that it is an affront to a legislative committee does not change the fact that it is an affront. I would not be much of a chairman of a subcommittee if I did not defend the dedicated men who have been working on the committee in the field of education and seek to prevent having this kind of legislative rug pulled out from under them by this parliamentary tactic.

Second, I wish to make it perfectly clear to the Senate, and especially to Senators on the Democratic side of the aisle, that the question now is whether the majority leader will be in charge of the legislative program of the Senate, from the standpoint of its being a Democratic program, or whether, by this parliamentary tactic, he will be stripped of his power and have it transferred to the Committee on Appropriations, where it has no place at all.

Third, the proposal of the Senator from South Dakota is discriminatory. I can well understand that some Members of the Senate who voted against S. 1021, which contained the impacted areas provision—we have it in S. 1021—find their votes a little embarrassing now in federally impacted areas or territories in their States. But that is no justification for discriminating unfairly, as this proposal does, among the other two-thirds of the schoolchildren of the United States. Do not forget that there are thousands upon thousands of schoolchildren who are attending schools in non-Federal areas; schools which are suffering a greater student impact than are those in many of the federally impacted area schools. Many of the schools in federally impacted areas are in pretty good shape. In fact, arguments can be made in support of the President's position when he first proposed a tapering off of some of the Federal support for some of the impacted area schools. Much can be said about some communities which were anxious to have Federal projects come to their area. Many other communities would have been glad to have them.

Mr. President, this proposal discriminates unfairly against thousands and thousands of children who ought to be considered in connection with a total education bill.

Lastly, members of the Subcommittee on Education are working daily with Members of the House of Representatives. I said earlier—and I think it needs repeating—the Secretary of Health, Education, and Welfare called me yesterday to say that the leaders in the House are preparing and will have ready for submission this weekend a proposed compromise education bill which will go to the White House early next week for consultation, which then will come to the subcommittee of which I am the chairman, for consultation. It is most unfair to a legislative committee which has worked in behalf of the Senate on the educational problem to pull the rug out from under it this morning, and thus, in my judgment, make it almost impossible for us to move forward with a well-considered legislative solution of the education problem.

Also, the proposal of the Senator from South Dakota will stir up bitter recriminations within the educational profession of the United States. There are dozens and dozens of schoolteachers and school administrators who believe that assistance to federally impacted areas, unless similar benefits come to their schools, is unfair. They will not look with kindness on our singling out one group of schools to benefit, and then going home without doing anything for the benefit of the other children who, likewise, are suffering from our failure to provide at least some Federal assistance to afford relief from the conditions which they are suffering. Some school districts are conducting classes in gymnasiums, cellars, and stages of schools; yes, they are even borrowing facilities, sometimes warehouses, near the schools.

I shall close now, because I desire the majority leader to have time to comment, by saying to Democratic Senators that there are two things we should keep in mind: We should sustain the right of the majority leader to determine the legislative program of the Senate. The proposal of the Senator from South Dakota is, in my judgment, an attempt to undercut him.

Second, we ought to sustain the administration in its desire to work out with the House a compromise in regard to the educational program. By the course of action proposed by the Senator from South Dakota, that opportunity will be destroyed.

Mr. MUNDT. Mr. President, I yield 4 minutes to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, the distinguished Senator from Oregon does not state the case at all. I think it is the most beautiful, classical example of begging the question that I have seen in a long time. The only question before the Senate is, Will it refuse to do today what it did on May 25, when it passed this identic proposition? Will it refuse to do today what it has done over and over again since the days of World War II, when the Federal Government recognized its obligation, by piling in the youngsters who were the children of Federal employees working on installations and facilities in so-called Federal areas?

The issue is, Will the Federal Government refuse now, through some parliamentary device, to recognize the obligation it has, because of the burden which has been placed upon local school facilities? That burden is not of their making.

Here are involved the facilities for some 219,000 children. I estimate, by the rule of thumb, that that would require perhaps 8,000 classrooms and perhaps 8,000 teachers. Over and over again, by unanimous vote, the Senate has undertaken this obligation in speaking for the people. Over and over again, by solemn vote, it has approved this program. It approved it the last time on May 25. Now, simply because there is before the Senate a proposal which is definitely within the rules of the Senate, and is definitely in order, shall we push back what is our solemn obligation to the impacted areas of the Nation? That is the real issue today.

The Senate can offer no excuse which is logical or valid or persuasive by failing to support the position which is taken by the distinguished Senator from South Dakota. That is how simple the proposition is today. No amount of argument that we are moving to suspend the rules in order to place this proposal on an appropriation bill will prevail, for the simple reason that the standing rules of the Senate provide for this sort of procedure. If some Senator wishes to argue that there is something inherently wrong in attaching a legislative proposal to an appropriation bill, the answer is that that practice has been followed ever since the Senate began to function as an institution. I remember my days in the House, when appropriation bills were fairly loaded with legislation of all kinds. It was used as an instrumentality for legislation because it was necessary to do so. I know that no really valid objection was made.

In this instance, we are within the rule. We have followed this practice over and over for a great number of years. The Senate approved this very proposal on the 25th of May. Cite me a reason now why the Senate should not fulfill its obligation to the folks back home in the impacted areas and approve the proposal which is before us.

Mr. MORTON. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MORTON. Is this a question of parliamentary procedure; or is it a question of the education of 219,000 schoolchildren?

Mr. DIRKSEN. It is exactly a question of the education of the children.

Since the course now proposed is entirely within the rules and the order of procedure here, I can think of no valid reason against it, unless some desire to have some impact upon a situation which presently obtains in another legislative body.

Mr. CASE of South Dakota. Is it not also important to the defense effort? And is it not also appropriate at this time, in view of the fact that we are now dealing with the Department of Defense appropriation bill?

Mr. DIRKSEN. Exactly.

Mr. President, imagine an attempt to go back home and make a presentation to the parents of the schoolchildren who may be denied the needed educational facilities. Let those who would do that see how far they will get. They will be told, "Do not give me the parliamentary

book. Just tell me how you voted on this business."

Mr. President, that is the issue before us.

The PRESIDING OFFICER. The time yielded to the Senator from Illinois has expired.

Mr. ROBERTSON. Mr. President, I yield 2 minutes to the Senator from West Virginia [Mr. RANDOLPH].

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 2 minutes.

Mr. RANDOLPH. Mr. President, as a member of the Subcommittee on Education of the Senate Committee on Labor and Public Welfare, I urge the Senate to sustain that committee and the leadership of the majority by defeating the pending motion to suspend the rules.

In subcommittee, in full committee, and through 8 long days of debate on the floor of the Senate, many of us labored carefully to make sure that Federal financial assistance to the States for the education of all of the Nation's schoolchildren could be achieved.

We were advised to curtail assistance under the provisions of Public Laws 815 and 874. After full and careful consideration, we decided against this advice until we could judge the effects upon these programs of the general aid title of the bill. We refused to retrench in this area until we knew it to be warranted, and we allowed a 3-year period of straight extension in which to develop the necessary factual basis for future consideration.

As a Senator from West Virginia, I was proud to be counted in the majority of 49 to 34 by which the bill was passed, knowing as I did that title II of S. 1021 continued aid to federally impacted areas for 3 years.

Mr. President, if we adopt the method now proposed for dealing with this subject, we shall be, in effect, depriving the House of Representatives of an opportunity to follow orderly procedure in the discussion and determination of its own problems in regard to school legislation.

We have no reason to distrust the other body and its Members in working out its own solution. Certainly we must realize that if we follow the advice of the Senator from South Dakota [Mr. MUNDT], we shall be actually forestalling, at this time, a possibly fruitful series of negotiations which are now taking place. Let us not, by precipitate action, close the door to those talks.

Furthermore, we would, by approving the motion, upset orderly conference committee procedure. Do not forget that the defense bill must go to a conference committee composed of members of the two Appropriations Committees, none of whom necessarily heard the testimony in committee, or wrote the report, or participated on the floor during debate concerning the education bill. Why should a complex matter, such as the impacted aid to school districts across the length and breadth of this land, based as it is on the technicalities of category A children, category B children, and category C children be thrown into the appropriation pot?

Mr. President, I add my voice to those who are concerned to see that all American schoolchildren, every boy and girl, shall have the opportunity to attend good schools in order to receive the best instruction we can give to them. This is not just a procedural matter of sustaining the leadership or the committee, this is also the heart of the matter for those of us who want to do justice and right to our public school children. I believe we must realize that more than only one-third of our schoolchildren need to be helped. Let us remember the other two-thirds by our vote this morning.

Mr. President, it is my considered judgment that to adopt the proposal of the Senator from South Dakota would be to do violence to the orderly consideration of legislation which is pending in the Congress of the United States, and, in effect, we would be giving evidence of distrusting the other body in connection with the orderly consideration of legislative proposals for assistance to the schoolchildren of the Nation, by means of a measure now pending in that body.

I have every reason to believe that the effective leadership will be supported by all Members on this side of the aisle.

Mr. ROBERTSON. Mr. President, I yield 2 minutes to the majority leader, the Senator from Montana [Mr. MANSFIELD].

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. MANSFIELD. Mr. President, I can only express my wholehearted accord with the arguments previously presented to the Senate by the chairman of the Subcommittee on Education, the distinguished senior Senator from Oregon [Mr. MORSE], and by his colleagues on that committee, the distinguished Senator from Pennsylvania [Mr. CLARK], the distinguished Senator from West Virginia [Mr. RANDOLPH], and my own colleague, the distinguished Senator from Montana [Mr. METCALF].

Some statement has been made to the effect that this motion is an attack on the leadership. I do not regard it so much as an attack on the leadership, as I do a questioning of the Subcommittee on Education, under the distinguished chairmanship of the senior Senator from Oregon [Mr. MORSE]. That subcommittee and the full Committee on Labor and Public Welfare have reported a good bill, S. 1021. That bill, or at least a part of it, is now in the House of Representatives. So long as the House is in session, despite what the Rules Committee does, there is always a chance that something may be done in the way of an adjustable solution.

I recall that on June 27 and on June 29, the distinguished Senator from South Dakota brought up the question of aid to impacted school areas; and on June 29, I stated:

I can only give the Senator—

The Senator from South Dakota [Mr. MUNDT]—

my assurance, but I think, knowing the way the Senator "bulldogs" these matters, having had close contact and experience with him over the past 19 years, what he has in mind will be forthcoming, and that the need for a continuation of this program will be met and complied with.

I think the recent action of the Senator from South Dakota indicates that the use of the word "bulldog" was not ill advised. But I hope we can have some time to consider this matter, and that for the present, at least, the motion of the Senator from South Dakota will be defeated.

Mr. MUNDT. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. The Senator from South Dakota has 2 minutes remaining under his control.

Mr. MUNDT. Mr. President, let me say that if there is still any doubt in the mind of any Senator as to what is involved in this matter, I wish to read from a news dispatch which was just now handed to me. It quotes the assistant Democratic leader, the Senator from Minnesota [Mr. HUMPHREY], who has served notice to the Associated Press that Congress will have to vote on school construction grants if it wants to continue aid to impacted areas.

There is the challenge to us. We can measure up to it, or we can surrender to it. But there is the challenge he has made to us.

Incidentally, let me say that the Senator from Minnesota is, himself, something of a "bulldog"; and he has served notice on the House Democratic leaders that the Senate will not accept a simple extension of Federal aid to impacted school districts in areas into which many families have been crowded because of Federal installations.

So, Mr. President, if some Senators do not really want this Federal assistance given to the school districts, of impacted areas they have only to vote against the pending motion, and then such assistance will not be given. In short, Senators now have a chance to duck behind a procedural question—or they can utilize this opportunity to vote needed assistance to schools in impacted areas.

But, Mr. President, it seems passing strange that the Senator from Oregon [Mr. MORSE], once the indomitable independent, the courageous advocate again and again in connection with matters upholding the authority of the Senate, would now be stating that in order not to give affront to the majority leader, Senators should vote against the pending motion. Mr. President, I have known the majority leader a long time, and he is not easily affronted; he does not wear a hair shirt. He operates on the basis of his convictions and he expects all other Senators to operate on the basis of their own convictions, not as a bunch of rubberstamps delegating their souls and votes to the leadership.

Mr. President, here is a chance for Senators to vote as they should on a vital matter of needed assistance in the field of education. Let no Senator fail to realize that that is what is involved in the pending motion.

It is said by some that the Senate should reject this motion, and should wait until later on. But, Mr. President, this matter will not wait until tomorrow or next week, or next month, or next

year, because the school districts are now hiring the teachers they need; and the schools—certainly at least many of them—must make their plans now.

Mr. President, the Senator from Virginia [Mr. ROBERTSON] was formerly, for many years, a Member of the House of Representatives; and he knows that this matter can be worked out in conference. Furthermore, the procedure called for by my motion is provided for in the Senate rules. I hope we can thus proceed to legislate today.

Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the motion of the Senator from South Dakota [Mr. MUNDT], under notice in writing previously given by him, that paragraph 4 of rule XVI be suspended, for the purpose of proposing the amendment heretofore ruled out of order.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN] 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 Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN], would each vote "nay," and the Senator from North Carolina [Mr. JORDAN] would vote "yea."

On this vote, the Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. BRIDGES] are paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Maryland and the Senator from New Hampshire would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] and the Senator from Kansas [Mr. CARLSON] are paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas and the Senator from Iowa would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Kansas [Mr. SCHOEPPEL] are paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Pennsylvania and the Senator from Kansas would each vote "yea," and the Senator from Oklahoma would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senators from Kansas [Mr. SCHOEPPEL and Mr. CARLSON] are absent on official business.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Iowa [Mr. MILLER] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maryland [Mr. BUTLER] are paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from New Hampshire and the Senator from Maryland would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] and the Senator from Iowa [Mr. MILLER] are paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas and the Senator from Iowa would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Pennsylvania [Mr. SCOTT] are paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Kansas and the Senator from Pennsylvania would each vote "yea," and the Senator from Oklahoma would vote "nay."

The yeas and nays resulted—yeas 37, nays 47, as follows:

[No. 130]

YEAS—37

Aiken	Ervin	Robertson
Allott	Fong	Russell
Beall	Goldwater	Saltonstall
Bennett	Hickenlooper	Smathers
Boggs	Holland	Smith, Maine
Bush	Hruska	Talmadge
Byrd, Va.	Keating	Thurmond
Capehart	Kuchel	Tower
Case, S. Dak.	Lausche	Wiley
Cotton	McClellan	Williams, Del.
Curtis	Morton	Young, N. Dak.
Dirksen	Mundt	
Dworshak	Prouty	

NAYS—47

Bartlett	Hartke	Metcalf
Bible	Hayden	Monroney
Burdick	Hickey	Morse
Byrd, W. Va.	Hill	Moss
Cannon	Humphrey	Muskie
Carroll	Jackson	Neuberger
Case, N.J.	Javits	Pastore
Church	Johnston	Pell
Clark	Kefauver	Proxmire
Cooper	Long, Hawaii	Randolph
Douglas	Long, La.	Stennis
Ellender	Magnuson	Symington
Engle	Mansfield	Williams, N.J.
Fulbright	McCarthy	Yarborough
Gore	McGee	Young, Ohio
Gruening	McNamara	

NOT VOTING—16

Anderson	Eastland	Schoeppel
Bridges	Hart	Scott
Butler	Jordan	Smith, Mass.
Carlson	Kerr	Sparkman
Chavez	Long, Mo.	
Dodd	Miller	

The PRESIDING OFFICER. Two-thirds of the Senators present not having voted in the affirmative, the motion to suspend is not agreed to.

Mr. ROBERTSON. Mr. President, I ask for the yeas and nays on the question of passage of the bill.

The yeas and nays were ordered.

Mr. YOUNG of Ohio. Mr. President, I call up my amendment at the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out title V of the bill and to renumber succeeding sections.

Mr. ROBERTSON. Mr. President, will the Senator yield for 30 seconds?

Mr. YOUNG of Ohio. I yield to the Senator from Virginia, with the understanding that I shall not lose my right to the floor.

Mr. ROBERTSON. I hope Senators will stay on the floor. I have been assured by our distinguished colleague that he can present the issue of striking out the civil defense money in 3 minutes. The acting chairman of the committee does not intend to argue the question, because the Senate voted to keep this in the bill yesterday. At the end of 3 minutes we shall have a voice vote. I assume the Senate will vote as it did yesterday.

Mr. YOUNG of Ohio. Mr. President, I shall be very brief and to the point, as stated by the distinguished Senator from Virginia. It is my intention, when the short debate on the amendment is concluded, to ask for a division and not a yea-and-nay vote. I hope my colleagues will remain in the Chamber.

Mr. President, in this connection I ask unanimous consent to have a statement I have prepared printed in the RECORD as a part of my remarks.

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

STATEMENT BY SENATOR YOUNG OF OHIO

The legislation before us today contains an appropriation of $207,600,000 for civil defense purposes as requested by President Kennedy in his message to Congress. This in addition to the $95 million we approved for civil defense in the independent offices appropriation bill which is presently in conference. I question the advisability of this proposed added expenditure at this time.

Frankly and it is with reluctance I state this, I am not in agreement with the President's request. For the most part, this money has been requested to identify and mark space in existing structures for fallout shelters and for shelters in new Federal office buildings. Of course, the great majority of these buildings are in urban metropolitan areas which possibly would be targets in a nuclear war were the Soviet Union to make a nuclear attack on us. It is doubtful whether these shelters would prove of any use whatever against the blast and heat of a nuclear explosion.

Assuming for the sake of argument they would, what if an attack came after working hours when these buildings are empty?

Our cities following an atomic attack might be blazing pyres and a mass of pulverized radioactive debris. Shelters in the target area would be crushed. Their occupants charred and suffocated by the blast and heat. Shelters would become nothing more than blazing tombs. Any who managed to escape their blazing tombs would be immediately killed by the firestorms and explosions raging for miles around. Surrounding areas for many square miles would be covered with deadly radioactive fallout.

The bombs that would be used today in a nuclear war are equal to millions of tons of TNT. One such bomb would set everything ablaze instantly within 25 miles or

more. Columns of flame miles high would engulf any target area. This kind of fire surpasses imagination. Fire companies would have been destroyed by the blast. In all probability there would be more than one of these bombs on each target area. There is no reason to expect that the enemy who knows that he must knock us out with one massive blow would be merciful. And there would be no outside help arriving. There would be no medical supplies, food, water, or transportation.

For those few who managed to survive, there would be no water that was left uncontaminated for them to drink or to wash away the radioactive ash and dust. All vegetation would be contaminated.

A hydrogen bomb produces deadly byproducts that do not decay as rapidly as some initial fallout does. It produces strontium 90, which takes 40 years to decay and goes right to human bone marrow. Strontium 90 is absorbed by food and plants. There is no way to get rid of it. You can't boil it away like bacteria. It is there to stay.

Nor is strontium 90 the only type of radioactive material these explosions produce. There are many other deadly byproducts which would live for hundreds, if not thousands of years, perhaps eventually doing away with all human habitation on this planet.

Thus radiation would catch up with us, even for those of us who were in shelters far enough away from the blast area.

I am not opposed to voting for additional civil defense appropriations if there is a chance that they will be of real use in saving American lives. However, if a shelter program is to be at all effective it will require an eventual expenditure of anywhere from $50 to $200 billion, according to various experts on the subject.

The very real problem of obsolescence also exists. It is quite apparent from the extensive advances being made today in rocket and nuclear technology that any shelter program conceivably would be obsolete before it was half completed. Then, there is also the possibility of more deadly types of warfare—chemical and biological warfare.

Unless we are prepared to embark on such a vast program, it seems futile to me to waste additional hundreds of millions of dollars of taxpayers' money at this time when we are faced with so many more essential needs and with a possible tax increase to finance them. It would be far better to spend this money in strengthening our ground forces and our retaliatory capability.

In my opinion, this program is impractical because it will offer no protection worth mentioning at a cost that would be a tremendous burden on American taxpayers. It is also dangerous because it fosters the delusion that there is some measure of security in a nuclear attack. The truth is that people living far enough away from the blast area might be able to protect themselves for the first 48 hours of intense radiation. Perhaps even the first 2 weeks. After that, the chances for their survival are indeed slim. It has been estimated that the radioactive cloud from a single relatively small nuclear bomb may be expected to cover an area downwind for fully 200 miles. No one knows how many bombs could be dropped or missiles fired in a nuclear holocaust or what weather conditions would be at that time.

It is my fervent hope that those now charged with the responsibility for protection of our civilians in time of war will immediately embark on a vigorous and continuing campaign of education on realistic self-protection in a nuclear war using all media of communication at our command—television, radio, newspapers, magazines, and our schools.

Furthermore, no reasonable person would object to the Federal Government's advising citizens on the type, effectiveness, and cost of various fallout shelters. A modest amount of money could be appropriated for research and dissemination of this information. If the individual citizen then wants to build his own shelter and feels that he lives in an area where it could possibly be of some use to him and his family, perhaps as a recreation room, that is his business. He would be putting his money in circulation by helping a building contractor.

President Kennedy has called for sacrifice in this time of emergency. Surely, it is not too much sacrifice for Americans to provide protection for themselves and their families. It is the duty of their Government to advise them on how to do this—if such a thing is possible—but not to do it for them. Our forefathers in settling this land and in pushing back the frontier knew this well.

All of us can be proud of the thousands of patriotic Americans who, as volunteers, gave their time and effort often at great risk to themselves in times of flood, fire, and other natural disasters. These Americans have, and always will, continue to help their neighbors regardless of the doubtful leadership of the OCDM and paid officials safe behind desks.

Surely we should not at this time appropriate $207,600,000 until after the hearings now proceeding in the other body are completed. Within 2 or 3 weeks, the Military Operations Subcommittee of the Government Operations Committee, of which Congressman CHET HOLIFIELD is the chairman, will publish the hearings and issue their report.

To my knowledge, no hearings whatever were held by the Senate Committee on Appropriations regarding this matter. Insofar as the President's request for additional defense expenditures are concerned, I fully agree that the evidence for their need is great and there was no necessity for hearings; however, it is my belief that this request for money for fallout shelters as outlined in the President's message and in recent statements by the Secretary of Defense warrants further investigation before any appropriation is made.

The Secretary of Defense himself admitted in a letter to the distinguished junior Senator from Virginia that this subcommittee was not afforded the opportunity of giving its customary and careful consideration to this matter. Secretary McNamara assured the Senator from Virginia that he would personally satisfy himself as to the necessity of each program to assure that these funds are spent wisely and economically.

Although I have complete faith in the judgment and ability of the Secretary of Defense, it is my feeling that the situation is not so urgent as to abdicate our responsibility regarding use of taxpayers' money. I am sure that an additional month or so will not jeopardize this proposed program if it is in fact worthy. This time will, however, give us the opportunity to soberly and carefully examine the wisdom of embarking on such an extensive program.

Assuming for the sake of argument that there is some value in a shelter program, it is my view that the purpose for which this money is to be allocated—shelters in Federal buildings—will offer no protection whatsoever and will be a complete waste of taxpayers' money.

Therefore, I have introduced an amendment which would eliminate this $207 million appropriation.

I urge that before we take any further action on this matter, careful and extensive hearings from expert witnesses and others who are concerned with this vital problem be held by the proper committee of the Senate, otherwise we would be committing ourselves to a program vast in its implications without having fully explored the problem thoroughly.

All agree that we are living in a grim period of Soviet bluster and threats. However, we must not allow this fact to cloud our judgment regarding defense of civilians in the event of an attack. We should not embark on expensive schemes that will prove of no real value in event of war. The new civil defense programs should be carefully examined and tested before additional money is authorized.

Mr. YOUNG of Ohio. Mr. President, the amendment would strike out and eliminate from the bill, H.R. 7851, title V, as it was amended last evening. For the information of Senators, Mr. President, since the present title V is not printed in the bill, I ask to have it read by the clerk.

The PRESIDING OFFICER. Title V will be read for the information of the Senate.

The legislative clerk read as follows:

TITLE V—CIVIL DEFENSE, DEPARTMENT OF DEFENSE

For expenses, not otherwise provided for, necessary for carrying out civil defense activities, including the hire of motor vehicles and the providing of fallout shelters in existing or new Government-owned or leased buildings, as authorized by law, $207,600,000.

Mr. YOUNG of Ohio. Mr. President, the purpose of the amendment is to strike out and to eliminate altogether the $207.6 million requested by the President for fallout shelters.

The only argument I shall make at this time, in addition to what I have had printed in the RECORD—and the repeated arguments I have made in this Chamber against civil defense as now conducted—is that in the other body at the present time and continuing throughout next week, the Subcommittee on Military Operations of the Committee on Government Operations, under the chairmanship of Representative CHET HOLIFIELD, is holding hearings on the question of the value or lack of value of shelters against nuclear attack, the question of whether they will do good or not.

Physicists and noted experts in the country will testify before the committee. The Secretary of Defense and other officials have already testified and will testify this week.

The hearings will be concluded next week. I receive daily a copy of the hearings. The entire hearings will be available to all Senators in about 3 weeks from now.

Recently, in the independent offices appropriation bill, the Senate authorized an appropriation of $95 million for civil defense. The other body authorized $80 million. Something between $95 and $80 million will eventually be appropriated by this Congress.

I hope my amendment will be seriously considered, and will be agreed to. There are ample funds available for civil defense purposes. After 3 weeks the hearings of the subcommittee in the House of Representatives will disclose whether the money has or has not been wasted, and the feasibility of an extended program such as contemplated by title V of this bill.

I feel, therefore, that we ought to try to save money in this very large appro-

priation bill, which is necessary for the defense of our country. I support the bill. But I do not support an expenditure of $207 million to be utterly wasted, as has more than $1 billion been wasted in the past.

I ask the Senate to agree to the amendment. Let us wait for the report of the chairman of the House committee and early next year, if it is desired to make a further appropriation for civil defense, then let us do so.

Mr. ROBERTSON. Mr. President, yesterday the Senate voted funds for civil defense. This effort is the second one to take the provision out of the bill. I hope Senators will vote against the proposal.

Mr. LAUSCHE. Mr. President, I wish to express my concurrence with the views stated by my colleague. In my opinion, adequate study has not been made of the civil defense program. The probability is that approving the proposed expenditure at this time would constitute throwing $207 million down the drain. There ought to be a full and complete study made of what utility will be provided by the dugouts and reinforced basements which will be built, and until that study is undertaken, I do not think the money ought to be expended.

Mr. YOUNG of Ohio. I thank my colleague from Ohio.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the distinguished senior Senator from Oregon.

Mr. MORSE. I have been greatly persuaded by the Senator from Ohio. I think we should develop the facts to find out whether the investigation in the House will show that the proposal for large expenditures of funds for a shelter building program is a sound defense proposal. I cannot think of anything that would be more cruel or unfair than to give the American people the impression and hope that we are providing for their security against a nuclear attack, if scientists should come forward with findings that the effort would not accomplish that purpose. I think that with the $95 million already appropriated a start could be made on any shelter building program which would be sufficient until we can return and pass a supplemental budget, if necessary, next January. I shall support the amendment of the Senator from Ohio.

Mr. YOUNG of Ohio. I thank the Senator.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the distinguished Senator from Alaska.

Mr. GRUENING. I rise to support the amendment of the Senator from Ohio. I think that the $95 million appropriated is ample to tide us over and do what needs to be done. More studies are needed on this subject between now and the next session of Congress. The $207 million would possibly be wasted. There will be plenty of time to act on the measure at the next session, if necessary. This is one place where we can safely economize.

Mr. YOUNG of Ohio. I thank the Senator from Alaska.

Mr. President, I yield back the remainder of my time.

Mr. ROBERTSON. Mr. President, I yield back the remainder of my time. I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. All time has been yielded back and a division has been requested.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

SUPPORT OF NATION'S RELIGIOUS LEADERS FOR FOREIGN AID

Mr. JAVITS. Mr. President, foreign aid is one of our country's most important means in winning the underdeveloped regions of the world to the side of freedom. It is the means by which we take the offensive against communism, it is our initiative for a breakthrough for freedom. There are great moral as well as strategic implications in our foreign aid program, and it is to these values that hundreds of the Nation's religious leaders have addressed themselves in announcing their support for the foreign aid program.

I ask unanimous consent to include in my remarks a statement issued on July 31 by Warren Lee Pierson, chairman of the Citizens Committee for International Development, together with the statements of the group from each great religious faith, signed by 257 Protestant, Catholic, and Jewish clergymen and lay leaders.

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

Religious leaders of all faiths in America are overwhelmingly behind the President's new foreign aid program, including the 5-year financing plan for the loan development fund.

"These moving statements," Mr. Pierson said, "are evidence of America's moral concern which is implicit in the foreign aid program. I am certain that in considering the program which the President has placed before Congress, the support of these religious leaders will be given every consideration by Members of the Congress."

The statements and lists of signers follow:

Protestants, related to the National Council of the Churches of Christ in America, as individuals, who have united in "urging Congress to adopt a comprehensive foreign aid program which includes the 5-year financing provision recommended by President Kennedy."

Rev. Hampton Adams, minister, Park Avenue Christian Church, New York, N.Y.

Arthur A. Atha, attorney, Protestant Council of the City of New York.

Rev. David W. Barry, executive director, New York City Mission Society.

Norman J. Baugher, general secretary, Church of the Brethren, Elgin, Ill.

Wilmer V. Bell, chairman, Maryland Council on Christian Social Relations.

Edwin Berry, Chicago, Ill.

Frederick H. Biederstedt, president, New York State Council of Churches, Syracuse, N.Y.

Rev. Eugene Carson Blake, stated clerk, United Presbyterian Church in the U.S.A., Philadelphia, Pa.

Mrs. H. C. Bleckschmidt, president, United Church Women of St. Louis.

Rev. Harold A. Bosley, Methodist pastor, Evanston, Ill.

Rev. H. C. Bradshaw, executive secretary, St. Paul Area Council of Churches.

The Right Reverend Allen W. Brown, bishop, Albany diocese, Protestant Episcopal Church, Syracuse, N.Y.

Coleman Burke, attorney, New York, member executive committee, World Council of Christian Education.

Rev. Hugh Chamberlain Burr, recently retired, executive director, Rochester (N.Y.) Council of Churches.

Dr. John J. Burt, president, Southern California Council of Churches, Pasadena, Calif.

Rev. John E. Buteyn, executive secretary, Board of World Missions, Reformed Church in America.

Very Rev. John V. Butler, dean, the Cathedral Church of St. John the Divine, New York, N.Y.

Rev. Erston Butterfield, Cleveland Congregational Union, Cleveland, Ohio.

Fannie P. Byrd, United Church Women, New York, N.Y.

Rev. Alford Carleton, executive vice president, the United Church Board for World Missions, United Church of Christ, Boston, Mass.

David B. Cassat, vice president, National Council of Churches, Dubuque, Iowa.

Rev. Samuel McCrea Cavert, former general secretary, National Council of Churches, Bronxville, N.Y.

Dr. Edgar H. S. Chandler, executive vice president, Church Federation of Greater Chicago, Ill.

Robert Childers, Houston, Tex.

Rev. Theodore L. Conklin, associate general secretary, New York State Council of Churches, Syracuse, N.Y.

Mrs. Clifford C. Cowin, Oberlin, Ohio.

Rt. Rev. William F. Creighton, bishop coadjutor, Protestant Episcopal Diocese of Washington.

Rt. Rev. Archie H. Crowley, D.D., Episcopal Diocese of Michigan.

Dr. Robert E. Cushman, dean, Duke Divinity School, Durham, N.C.

Rev. Edwin T. Dahlberg, minister, Delmar Baptist Church, St. Louis, Mo., and former president, National Council of Churches.

Rev. Gardiner M. Day, minister, Protestant Episcopal Church, Cambridge, Mass.

Dr. Harry Denman, general secretary Methodist Board of Evangelism.

Hubert A. Elliott, staff, Protestant Council of the City of New York.

Bishop F. Gerald Ensley, resident bishop, Iowa area, the Methodist Church, Des Moines, Iowa.

Robert A. Fangmeier, national director, Department of Christian Action and Community Service, United Christian Missionary Society, Disciples of Christ.

Dr. Harold D. Fasnacht, president, La Verne College, La Verne, Calif.

Rev. Richard Felton, associate secretary, Ohio Christian Missionary Society, Cleveland, Ohio.

Dr. Harold E. Fey, editor, the Christian Century, Chicago, Ill.

A. Dale Fiers, president, United Christian Missionary Society, Disciples of Christ, Indianapolis, Ind.

Rev. John F. Fisler, staff, Protestant Council of the City of New York.

Hon. Arthur S. Flemming, president, University of Oregon, Eugene, Oreg.

Rev. Harry Emerson Fosdick, retired, New York, N.Y.

Rev. Leland Gartrell, staff, Protestant Council of the City of New York.

Mrs. Manfred J. Gerhardt, San Antonio, Tex.

Rev. Ray Gibbons, director, Congregational-Christian Council for Social Action, New York.

Rev. Frederick L. Gilson, South Park Baptist Church, Buffalo, N.Y.

Bishop Charles F. Golden, resident bishop, Nashville-Birmingham area, the Methodist Church, Nashville, Tenn.

Rev. Luther A. Gotwald, New York, N.Y.

Bishop Raymond Grant, resident bishop, Portland area, the Methodist Church, Portland, Oreg.

Bishop S. L. Green, AME Church, Atlanta, Ga.

John Gresham, district superintendent, southwest district, Minnesota Methodist Conference, Mankato, Minn.

George T. Guernsey III, vice president, Manchester Bank, St. Louis, Mo.

John Halko, secretary-director, Department of Research and Planning, Greater Philadelphia Council of Churches, Baptist.

Francis Stuart Harmon, vice president, the Interchurch Center, New York.

Rev. Herbert Harrison, Asbury-Delaware Methodist Church, Buffalo, N.Y.

Dr. G. Weir Hartman, executive secretary, Columbus, Ohio, Area Council of Churches.

Rev. Dr. Vladimir Hartman, executive secretary, Capitol Area Council of Churches, Albany, N.Y.

Bishop E. C. Hatcher, AME Church, Cleveland, Ohio.

Rev. Joseph H. Heartberg, executive secretary, New Jersey Baptist Convention.

Rev. Reginald H. Helfferich, executive secretary, Commission on World Service, Evangelical and Reformed Church, St. Louis, Mo.

Rev. Ellis L. Hemingway, associate superintendent, Middle Atlantic Conference, United Church of Christ.

Rev. James E. Hoffman, stated clerk, reformed Church in America, New York.

Guy T. O. Holyday, Maryland Council of Churches, Baltimore, Md.

Dr. Caradine R. Hooton, general secretary, Methodist Board of Christian Social Concerns, Washington, D.C.

Rev. Richard N. Hughes, executive secretary, Rochester Area Council of Churches, New York.

Baron Hunter, executive secretary, Department of Christian Action and Community Service, United Christian Missionary Society, Disciples of Christ.

Dr. Angus Hull, Cleveland Baptist Association, Cleveland, Ohio.

Dr. R. Lanier Hunt, staff, National Council of Churches, New York.

Robert W. Inglis, executive secretary, Colorado Congregational Conference, Denver, Colo.

Rev. Keith Irwin, Leonia, N.J.

Rev. Herbert C. Jackson, director, Missionary Research Library, New York.

Rev. J. H. Jackson, president, National Baptist Convention, U.S.A., Chicago, Ill.

Miss Elizabeth Johns, staff, United Church of Christ, New York.

Dr. F. Ernest Johnson, professor emeritus, Teachers' College, Columbia University, New York; consultant, Department of The Church and Economic Life, National Council of Churches.

Dr. Harold G. Jones, United Church of Christ, Claremont, Calif.

Orrin G. Judd, attorney, New York, N.Y.

Rev. Dean M. Kelley, Bronx, N.Y.

Rev. George Kaslow, Jr., director, Department of Research and Field Survey, New Jersey Council of Churches, East Orange, N.J.

Bishop Gerald H. Kennedy, Methodist Church, Los Angeles, Calif.

Harold Kilpatric, Austin, Tex.

Rev. Hubert F. Klemme, minister, United Church of Christ, Cleveland, Ohio.

Rev. Gerald E. Knoff, executive secretary, Division of Christian Education, National Council of Churches, New York.

Rev. Dr. Julius W. Kuck, president, New York Synod, Evangelical and Reformed Church, Syracuse, N.Y.

Jacob M. Lashly, vice president, Metropolitan Church Federation of Greater St. Louis.

Very Rev. William S. Lea, dean, St. John's Episcopal Cathedral, Denver, Colo.

Dr. G. Merrill Lenox, executive director, Detroit and Michigan Council of Churches.

Rev. Harold C. Letts, Teaneck, N.J.

Rev. James Craig Livingston, Central Presbyterian Church, New York.

Rev. Virgil E. Lowder, executive director, Council of Churches, National Capitol area, Washington, D.C.

Rev. Maurice F. Lyerla, executive secretary, Colorado Disciples Conference, Denver, Colo.

Dr. Frank Madsen, president, Michigan Synod of the United Lutheran Church.

Rev. H. Waldo Manley, minister, St. Mary's Protestant Episcopal Church, Brooklyn, N.Y.

Bishop William C. Martin, Dallas area, the Methodist Church.

Bishop James Matthews, resident bishop, Boston area, the Methodist Church, Boston, Mass.

Rev. O. Clay Maxwell, Jr., pastor, Baptist Temple, New York, N.Y.

Rev. Clarence F. McCall, Jr., Claremont, Calif.

James McCracken, Tenafly, N.J.

Rev. Robert J. McCracken, minister, the Riverside Church in the city of New York.

Mr. Harold C. McKinney, Jr., director, general operations of Michigan Council of Churches and director of public affairs of the Detroit Council of Churches.

Arthur L. Miller, Montview Boulevard Presbyterian Church, Denver, Colo.

Richmond Miller, associate secretary, Philadelphia yearly meeting, Society of Friends, Philadelphia, Pa.

Rev. Hermann N. Morse, secretary emeritus, Board of National Missions, United Presbyterian Church in the United States of America.

Bishop Reuben H. Mueller, president, Board of Bishops, the Evangelical United Brethren Church, Indianapolis, Ind.

Bishop Frederick Buckley Newell (retired), the Methodist Church, New York.

Prof. Neils Nielsen, Houston, Tex.

Rev. Victor Obenhaus, Chicago Theological Seminary, Chicago, Ill.

Rev. Frank A. P. Pehrson, executive, New Jersey Synod, United Presbyterian Church in the United States of America.

Dr. Jesse F. Perrin, superintendent, United Church of Christ, Los Angeles, Calif.

Mrs. Richard B. Persinger, chairman, National Public Affairs Committee of the YWCA, Dobbs Ferry, N.Y.

Dr. Paul W. Poley, executive secretary, Philadelphia Missionary Society and Church Extension, Methodist Church, Philadelphia, Pa.

Rev. W. H. Porter, associate general secretary, American Baptist Convention, New York.

Rev. J. Manning Potts, editor, the Upper Room, Nashville, Tenn.

Rt. Rev. Noble C. Powell, Protestant Episcopal bishop of Maryland.

Rev. Frank W. Price, former moderator, general assembly, Presbyterian Church in the United States, Staunton, Va.

Mr. Wayne Proudfoot, president, National Conference, the Methodist Church Student Movement, Tacoma, Wash.

Dr. Darrell Randall, associate executive director, department of international affairs, National Council of Churches, New York.

Dr. F. Eppling Reinartz, president, Lutheran Theological Southern Seminary, Columbia, S.C.

Rev. Paul W. Rishell, United Church of Christ, New York.

Rev. Kenneth A. Roadarmel, executvie secretary, New York State Council of Churches, Syracuse, N.Y.

Rev. Bruce Roberts, executive secretary, Syracuse Area Council of Churches, Syracuse, N.Y.

Rev. Albert C. Ronander, United Church of Christ, New York.

Joseph Salem, Sudan, Tex.

F. Burton Sawyer, chairman, Department of Christian Community Action, Metropolitan Church Federation of Greater St. Louis, Mo.

Dr Eugene L. Smith, general secretary, Division of World Missions, the Methodist Church, New York.

Rev. Howard C. Schade, executive secretary, Board of North American Missions, the Reformed Church in America, New York.

Elroy Schinkles, First Baptist Church, Denver, Colo.

Fred Schmidt, Austin, Tex.

Dr. Carl M. Schneider, superintendent, Atlantic District Northeastern Conference, Evangelical United Brethren Church, Philadelphia, Pa.

Rev. Howard Schomer, Chicago Theological Seminary, Chicago, Ill.

Rev. Alexander H. Shaw, general secretary, New Jersey Council of Churches, East Orange, N.J.

Dr. James H. Sheldon, chairman, Congregational Christian, New York State Committee on Social Action.

George F. Sisler, Chicago, Ill.

Virgil A. Sly, executive chairman, World Mission, and executive secretary, India, United Christian Missionary Society, Disciples of Christ, Indianapolis, Ind.

Dr. John Coventry Smith, general secretary, Commission on Ecumenical Mission and Relations, United Presbyterian Church, U.S.A., New York, N.Y.

Bishop B. Julian Smith, Chicago area, C.M.E. Church.

Dr. Ralph W. Sockman, minister, Christ, Methodist Church, New York, N.Y.

Dr. Donald H. Stewart, pastor, First Presbyterian Church of Kirkwood, Mo.

Donald C. Stone, dean, Graduate School, Public and International Affairs, University of Pittsburgh, Pa.

Dr. Frank H. Stroup, executive secretary, Presbytery of Philadelphia, Pa.

Rev. Harry Sweitzer, minister, Central Presbyterian Church, St. Paul, Minn.

Rev. Gardner C. Taylor, minister, Concord Baptist Church, Brooklyn, N.Y.

Charles P. Taft, member, central committee, World Council of Churches, Cincinnati, Ohio.

Mrs. William Sale Terrell, chairman, United Church Women, West Hartford, Conn.

Willard L. Thorp, Merrill Center for Economics; Member Committee, Department of International Affairs, National Council of Churches, Southampton, Long Island, N.Y.

Bishop Donald Harvey Tippet, resident bishop of San Francisco area, the Methodist Church, San Francisco, Calif.

Rev. Edward B. Tuller, general secretary, American Baptist Convention, New York, N.Y.

Dr. Charles J. Turck, former president, Macalester College; consultant; Protestant Council of the City of New York.

President Henry Pitney Van Dusen, Union Theological Seminary, New York.

Dr. O. Walter Wagner, executive director, Metropolitan Church Federation, Greater St. Louis, Mo.

Rev. Robert C. Walker, executive, Long Beach Council of Churches, Long Beach, Calif.

Rev. Bishop W. Ralph Ward, Jr., bishop, Syracuse area, the Methodist Church, Syracuse, N.Y.

Dr. Luther A. Weigle, dean emeritus, Yale Divinity School, New Haven, Conn.

Forrest C. Weir, executive, Church of Los Angeles, Los Angeles, Calif.

Rev. Dr. S. Arnold Westcott, pastor, First Baptist Church, Syracuse, N.Y.

Rev. B. Bruce Whittemore, executive director, Cleveland Council of Churches, Ohio.

Rev. Edward L. Whittemore, executive secretary, Colorado Council of Churches, Denver, Colo.

Bishop Lloyd C. Wicke, New York area, the Methodist Church, New York, N.Y.

Dr. Elam Wiest, president, Northeast Ohio Synod, Evangelical and Reformed Church, Cleveland, Ohio.

Mrs. Frank G. Wigginton, Carnegie, Pa.

Rev. Donvel C. Wildey, executive secretary, Maryland Council of Churches.

Dr. John M. Wilson, executive secretary, Ohio Council of Churches, Columbus, Ohio.

Dr. Roy L. Winters, superintendent, Board of Home Missions, Lutheran Ministerium of Pennsylvania, Philadelphia, Pa.

Statement on foreign aid endorsed by Catholic bishops, prelates, priests, and laymen:

"Even the most superficial understanding and appreciation of the present world situation must convince anyone, beyond doubt, of the grave need to endorse the administration's foreign aid proposals. In this crucial hour, we urge all citizens of this great Nation to unite in echoing the United States traditional commitment to freedom, peace, progress, and dignity for all men, by expressing wholehearted support for this vital contribution to world peace."

Most Rev. Karl J. Alter, D.D., archbishop of Cincinnati, Ohio, chairman of the Administrative Board, National Catholic Welfare Conference.

Most Rev. Patrick A. O'Boyle, archbishop of Washington, D.C.

Most Rev. William O. Brady, D.D., archbishop of St. Paul, Minn.

Most Rev. Emmet M. Walsh, D.D., bishop of Youngstown, Ohio.

Most Rev. Joseph M. Gilmore, S.T.D., bishop of Helena, Mont.

Most Rev. Lawrence J. Shehan, D.D., bishop of Bridgeport, Conn.

Most Rev. Albert R. Zuroweste, D.D., bishop of Belleville, Ill.

Most Rev. Edward E. Swanstrom, D.D., New York, N.Y.; executive director, National Catholic Welfare Conference.

Rev. John T. Arsenault, Portland, Maine.

Rev. John M. Bann, Little Rock, Ark.

Rev. William A. Barron, Trenton, N.J.

Rev. Paul P. Bassompierre, Pittsburgh, Pa.

Rev. John J. Berube, M.S., New York, N.Y.

Rev. Sylvester A. Borusky, Green Bay, Wis.

Rt. Rev. Msgr. William Cassin, Springfield, Ill.

Rev. Joseph Conway, Albany, N.Y.

Very Rev. Msgr. Lawrence J. Corcoran, Columbus, Ohio.

Very Rev. Msgr. Joseph A. Costello, Newark, N.J.

Rev. John P. Craddick, St. Louis, Mo.

Very Rev. Msgr. Thomas Daly, Rockville Center, Long Island, N.Y.

Rt. Rev. Msgr. Joseph F. Denges, Washington, D.C.

Rev. Charles F. Dewey, Boston, Mass.

Rev. Caesar Donanzan, New York, N.Y.

Rt. Rev. Msgr. Herman Fedewa, Lansing, Mich.

Very Rev. Msgr. J. Richard Feiten, Winona, Minn.

Rt. Rev. Msgr. Newman Flanagan, Sioux City, Iowa.

Rev. Fabian Flynn, Union City, N.J.

Very Rev. Norbert F. Gaughan, Greensburg, Pa.

Rev. Joseph B. Gremillion, New York, N.Y.

Rev. George R. Grotkin, Montfort, Wis.

Rt. Rev. Msgr. Joseph J. Harnett, Philadelphia, Pa.

Rt. Rev. Msgr. Wilson E. Kaiser, Great Falls, Mont.

Rt. Rev. Msgr. Leo Keating, Grand Island, Nebr.

Rt. Rev. Msgr. Emil Komora, New York, N.Y.

Rev. Robert Lawler, Ogdensburg, N.Y.

Rev. Michael L. Maher, Saginaw, Mich.

Rt. Rev. Msgr. John E. Maney, Rochester, N.Y.

Rev. Francis A. McCarthy, North Dighton, Mass.

Rt. Rev. Msgr. John F. McCarthy, New York, N.Y.

Rt. Rev. Msgr. Charles B. McGinley, Philadelphia, Pa.

Rev. Allen J. Meier, Covington, Ky.

Rt. Rev. Msgr. Frederick Mohan, Cleveland, Ohio

Very Rev. Msgr. Frederick A. Nelan, New York, N.Y.

Rev. Morton E. Park, Portland, Oreg.

Very Rev. Msgr. John J. Reed, Fort Wayne, Ind.

Rev. William B. Rochford, Neosho, Mo.

Rt. Rev. Msgr. Joseph T. Ryan, Albany, N.Y.

Very Rev. Msgr. Robert W. Schiefen, Miami, Fla.

Rev. Dunstan Schmidlin, Gallup, N. Mex.

Rev. Alfred A. Schneider, Green Bay, Wis.

Rev. Joseph Semancik, East Chicago, Ind.

Rev. Michael J. Shanahan, Rockford, Ill.

Rt. Rev. Msgr. David P. Spelgatti, Marquette, Mich.

Rt. Rev. Msgr. Joseph V. Sullivan, Kansas City, Mo.

Rt. Rev. Msgr. Paul Tanner, Washington, D.C.

Rt. Rev. Msgr. Joseph C. Walen, Grand Rapids, Mich.

Rt. Rev. Msgr. Charles M. Williams, Nashville, Tenn.

Rev. Anthony Zoghby, Mobile, Ala.

Mr. Edward M. Kinney, New York, N.Y.

Hon. Juvenal Marchisio, New York, N.Y.

Miss Margaret Mealey, Washington, D.C.

Mr. James J. Norris, Elizabeth, N.J.

Mr. Daniel Quinn, New York, N.Y.

Mr. Martin Work, Washington, D.C.; executive director, National Council of Catholic Men.

Mrs. Arthur L. Zepf, Toledo, Ohio.

The Jewish statement:

"As religious leaders, we once again reaffirm our support of the President's foreign aid program. At this moment of world peril, we reassure the world community of the understanding of our clear moral obligation in helping them realize those goals which we hold so near and dear to ourselves. We stand ready to accept the mantle of leadership and responsibility which history now places on us; to share the abundance with which the Almighty has blessed us and scourge poverty, disease, and ignorance, and to replace it with abundance, health, and enlightenment."

Rabbi Theodore L. Adams, New York, N.Y.

Rabbi Maurice Bloom, New York, N.Y.

Rabbi Aaron Blumenthal, New York, N.Y.

Rabbi Balfour Brickner, New York, N.Y.

Rabbi Seymour J. Cohen, Chicago, Ill.

Rabbi Max D. Davidson, Perth Amboy, N.J.

Rabbi Maurice Eisendrath, New York, N.Y.; president, Union of American Hebrew Congregations.

Rabbi Abraham J. Feldman, Hartford, Conn.

Rabbi Theodore Friedman, South Orange, N.J.

Rabbi Arthur Hertzberg, Englewood, N.J.

Rabbi Philip Hiat, New York, N.Y.; executive director, Synagogue Council of America.

Rabbi Robert P. Jacobs, St. Louis, Mo.

Rabbi Israel Klavan, New York, N.Y.

Rabbi Wolfe Kelman, New York, N.Y.

Rabbi Eugene Litman, Washington, D.C.

Rabbi Joseph Lookstein, New York, N.Y.

Rabbi Julius Mark, New York, N.Y.

Rabbi Uri Miller, Baltimore, Md.

Rabbi David Panitz, Paterson, N.J.

Rabbi Ely Pilschik, Newark, N.J.

Rabbi Stanley Rabinowitz, Washington, D.C.

Rabbi William F. Rosenbloom, New York, N.Y.

Rabbi Edward P. Sandrow, New York, N.Y.

Rabbi Max Schenk, New York, N.Y.

Rabbi Bernard Segal, New York, N.Y.

Rabbi David J. Seligson, New York, N.Y.

Rabbi Saul Teplitz, Harrison, N.Y.

Rabbi Charles Weinberg, Malden, Mass.

Rabbi Dudley Weinberg, Milwaukee, Wis.

Rabbi Samson P. Weiss, New York, N.Y.

Rabbi Joel Y. Zion, New York, N.Y.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. LAUSCHE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 27, line 12, it is proposed to strike "$207,600,000" and insert in lieu thereof "$100,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the effect of the amendment would be to reduce the amount of $207,600,000, which we have just discussed and which was the subject of the amendment offered by my colleague, to $100 million.

I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. A division has been requested.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. CANNON. Mr. President, prior to final passage, I have a few short questions I should like to propound to the Senator from Virginia.

Section 636 as now in the bill would strike and replace section 537 in the bill from the House. Opponents of the move to restrict or eliminate abuses by defense contractors in the field of institutional and personnel recruitment advertising have contended that this amendment is the forerunner of an attempt to restrict all advertising.

Mr. ROBERTSON. That is not correct. The provision does not apply to any advertising with respect to which a person has a contract obtained by competitive bidding. The contractor can do all the advertising he wishes, and charge it off to the cost of doing business to the extent that the Bureau of Internal Revenue will permit.

Mr. CANNON. The pending proposal would simply eliminate the advertising that has heretofore been 100 percent chargeable to the Government.

Mr. ROBERTSON. The Senator is correct.

Mr. CANNON. Is it not true that trade and technical publications under existing regulations are singled out for preferential treatment not enjoyed by other segments of our press?

Mr. ROBERTSON. That is what the Senator testified before the committee. I do not know too much about the subject.

Mr. CANNON. I should like to ask the Senator a further question. As the amendment is written, the decision of what is acceptable in the way of recruitment advertising is left to the Department of Defense. Is it the intent of the committee that the Department of Defense should screen very carefully the advertising material that is used, to determine that the recruitment ads are absolutely necessary and vital to the completion of the Government defense contract?

Mr. ROBERTSON. The intent was that the Department should not permit promotional advertising under the name of recruiting for help, nor should contractors be authorized to pirate engineers from one firm to another. In an emergency the Secretary can issue regulations to permit advertising for employees.

Mr. CANNON. It is contemplated that that would be limited to an emergency. Is that correct?

Mr. ROBERTSON. The Senator is correct.

Mr. CANNON. In my testimony before the committee, I stated that it was essential that loopholes must be closed which cause waste and extravagance within our defense procurement program and thereby diminish our military strength by diverting funds for advertising away from purchase of needed hardware. I should like to ask the chairman if it is not true that this amendment is a necessary and important step in the direction of economy in procurement and elimination of two liberal cost and allowance policies of the Pentagon.

Mr. ROBERTSON. The committee felt so, and so stated at page 45 of the report.

Mr. CANNON. Is it the belief of the committee that the exemptions permitted in the amendment will result in negligible costs to the Government and will, in fact, not be of a nature involving tremendous expenditures?

Mr. ROBERTSON. We have no way of knowing exactly what the cost to the Government will be, but it will be greatly reduced from what it has been. We authorized what we felt was appropriate.

Mr. CANNON. This will result in a saving of millions of dollars. Is that correct?

Mr. ROBERTSON. We hope the savings will be substantial. We do not know what the cost to the Government will be.

Mr. CANNON. Mr. President, I ask unanimous consent that the statement I have prepared on this subject be inserted at this point.

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

STATEMENT BY SENATOR CANNON

As the need for increased military preparedness and heavier defense expenditures increases, this phase of our national effort has become bigger and bigger business.

That is why some months ago I became interested in specific items of waste, extravagance, and inefficiency inherent in our defense procurement policies.

One of the most obvious areas of abuse, it is apparent to me, is the field of defense advertising. In the years before World War II it was thought that American industrial technology, particularly in the field of aviation, would be strengthened by allowing advertising in a trade and technical publication to become part of a defense contract, 100 percent chargeable to the Federal Government. Perhaps this was necessary to increase the dissemination of information in a field of endeavor that was just beginning to make itself felt.

In the intervening two decades the fact that such advertising in trade and technical journals can be and often is 100 percent deductible if it serves the purpose of dissemination of information has caused scores of such publications to spring up throughout the country. They have a good sales pitch. They can tell the defense advertiser it does not cost them a dime, so why not advertise?

One aviation company that I know of spent, last year, the sum of $500,000 on such advertising, which constituted 40 percent of its entire advertising budget. Multiply this by 100 other companies getting similar tax writeoffs not available to other industrialists and you begin to see what is happening to the taxpayers' dollars. You also begin to realize why we don't have all the airplanes we would like; why we cannot have more missiles and more Polaris submarines; and why we must strain our national resources to an enormous extent in order to prepare for the military security of this country.

The law which the committee is seeking to correct provides for a full writeoff for advertising which disseminates information within the industry. I am told by Pentagon officials that they themselves do not know what constitutes legitimate dissemination of technical information within the trade—the yardstick by which the Pentagon seeks to determine the suitability of such advertising costs as a part of a defense contract. And well they might ponder, because many of the ads, of which I have seen hundreds, are purely promotional and obviously designed to enhance the prestige or financial position of the firms involved.

Similarly, the exemption allowed for recruitment of personnel advertising had resulted in higher cost of obtaining qualified personnel than might have been obtained through legitimate employment agencies. Some firms spend thousands of dollars per engineer because they advertise everywhere and use this loophole as just another method of self-esteem—even when they have no real need for engineers.

There is an overriding consideration that I urge the Senate to consider. That is that we are in a position of countenancing a form of vicious subsidy which is both corrosive and self-defeating to an industry upon which our very survival depends.

Why must we, under the guise of national defense, provide Government subsidized advertising to one segment of the press and, in effect, tell the defense industry where they must advertise?

Fortunately, not every industry is guilty of availing itself of this abuse. Several refrain from fully tax deductible advertising and advertise only out of profits, because they know it is an abuse even though it is permitted by the Department of Defense.

And so, who wants this subsidized advertising? The Department of Defense officials charged with administering and regulating this portion of the "ASPR" say themselves that they see no need for it whatever and favor its elimination entirely.

What would be the result of cutting out 100-percent deductible advertising in trade and technical publications? The good magazines will continue to operate, on their merit, healthy and vigorous, surviving and growing on their own merits, rather than on subsidy. Those marginal operators would unquestionably fold—or some of them would—and that would be no great loss, either to journalism or to national security and defense procurement.

I have had many letters on this subject, and virtually all of them, including some from advertising agencies themselves, condemn this practice and demand that Congress take steps to enact some corrective legislation. The section we are dealing with today is a step in the right direction.

Mr. SALTONSTALL. Mr. President, I support what the Senator from Virginia has said, to the effect that we considered what would be the best way of doing this. We did not go into the question at all of whether it affected trade journals or newspapers or magazines. We did what was felt was right and what would save the Government money.

Mr. CANNON. It would be an economy move and would eliminate some of the waste and abuse of the past.

Mr. SALTONSTALL. The Senator is correct.

The PRESIDING OFFICER. The question is, Shall the bill—H.R. 7851—pass? The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN] 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 New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senators from Kansas [Mr. SCHOEPPEL and Mr. CARLSON] are absent on official business.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Iowa [Mr. MILLER] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. MILLER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 85, nays 0, as follows:

[No. 131]

YEAS—85

Aiken	Goldwater	Morse
Allott	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hartke	Mundt
Bennett	Hayden	Muskie
Bible	Hickenlooper	Neuberger
Boggs	Hickey	Pastore
Burdick	Hill	Pell
Bush	Holland	Prouty
Byrd, Va.	Hruska	Proxmire
Byrd, W. Va.	Humphrey	Randolph
Cannon	Jackson	Robertson
Capehart	Javits	Russell
Carroll	Johnston	Saltonstall
Case, N.J.	Keating	Smathers
Case, S. Dak.	Kefauver	Smith, Maine
Church	Kerr	Stennis
Clark	Kuchel	Symington
Cooper	Lausche	Talmadge
Cotton	Long, Hawaii	Thurmond
Curtis	Long, La.	Tower
Dirksen	Magnuson	Wiley
Douglas	Mansfield	Williams, N.J.
Dworshak	McCarthy	Williams, Del.
Ellender	McClellan	Yarborough
Engle	McGee	Young, N. Dak.
Ervin	McNamara	Young, Ohio
Fong	Metcalf	
Fulbright	Monroney	

NOT VOTING—15

Anderson	Dodd	Miller
Bridges	Eastland	Schoeppel
Butler	Hart	Scott
Carlson	Jordan	Smith, Mass.
Chavez	Long, Mo.	Sparkman

So the bill (H.R. 7851) was passed.

Mr. ROBERTSON. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. METCALF in the chair) appointed Mr. ROBERTSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. YOUNG of North Dakota, conferees on the part of the Senate.

DELEGATION OF FUNCTIONS BY FEDERAL COMMUNICATIONS COMMISSION IN ADJUDICATORY CASES

Mr. PASTORE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2034.

The PRESIDING OFFICER (Mr. METCALF in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, which was, to strike out all after the enacting clause and insert:

The subsection (c) of section 5 of the Communications Act of 1934, as amended, relating to a "review staff", is hereby repealed.

SEC. 2. Subsection (d) of section 5 of the Communications Act of 1934, as amended, is amended to read as follows:

"(d)(1) When necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, the Commission may, by published rule or by order, delegate any of its functions (except functions granted to the Commission by this paragraph and by paragraphs (4), (5), and (6) of this subsection) to a panel of commissioners, an individual commissioner, an employee board, or an individual employee, including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter; except that in delegating review functions to employees in cases of adjudication (as defined in the Administrative Procedure Act), the delegation in any such case may be made only to an employee board consisting of three or more employees referred to in paragraph (8). Any such rule or order may be adopted, amended, or rescinded only by a vote of a majority of the members of the Commission then holding office. Nothing in this paragraph shall authorize the Commission to provide for the conduct, by any person or persons other than persons referred to in clauses (2) and (3) of section 7(a) of the Administrative Procedure Act, of any hearing to which such section 7(a) applies.

"(2) As used in this subsection (d) the term 'order, decision, report, or action' does not include an initial, tentative, or recommended decision to which exceptions may be filed as provided in section 409(b).

"(3) Any order, decision, report, or action made or taken pursuant to any such delegation, unless reviewed as provided in paragraph (4), shall have the same force and effect, and shall be made, evidenced, and enforced in the same manner, as orders, decisions, reports, or other actions of the Commission.

"(4) Any person aggrieved by any such order, decision, report, or action may file an application for review by the Commission within such time and in such manner as the Commission shall prescribe, and every such application shall be passed upon by the Commission: *Provided*, That the Commission, by published rule or by order, may limit the right to file applications under this subsection for review of orders, decisions, reports, or actions of panels of commissioners or employee boards, in cases of adjudication (as defined in the Administrative Procedure Act), to proceedings involving issues of general communications importance. The Commission, on its own initiative, may review in whole or in part, at such time and in such manner as it shall determine, any order, decision, report, or action made or taken pursuant to any delegation under paragraph (1).

"(5) In passing upon applications for review, the Commission may grant, in whole or in part, or deny such applications without specifying any reasons therefor. No such application for review shall rely on questions of fact or law upon which the panel of commissioners, individual commissioner, employee board, or individual employee has been afforded no opportunity to pass.

"(6) If the Commission grants the application for review, it may affirm, modify, or set aside the order, decision, report, or action, or it may order a rehearing upon such order, decision, report, or action in accordance with section 405.

"(7) Unless exercise of the right to file an application for review has been precluded by a rule or order adopted under paragraph (4), the filing of an application for review under this subsection shall be a condition precedent to judicial review of any order, decision, report, or action made or taken pursuant to a delegation under paragraph (1). The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b), shall be computed from the date upon which public notice is given of orders disposing of all applications for review filed in any case.

"(8) The persons serving on employee boards to which the Commission, pursuant to paragraph (1), may delegate review functions in cases of adjudication (as defined in the Administrative Procedure Act) shall be well qualified, by reason of their training, experience, and competence, to perform such review functions. Such employees shall be given no other duties and shall be paid compensation at rates commensurate with the difficulty and importance of their duties. Such employees shall not be responsible to, or subject to supervision or direction of, any person engaged in the performance of investigative or prosecuting functions for the Commission or any other agency of the Government.

"(9) The Secretary and seal of the Commission shall be the secretary and seal of each panel of the Commission, each individual commissioner, and each employee board or individual employee exercising functions delegated pursuant to paragraph (1) of this subsection."

SEC. 3. Section 405 of the Communications Act of 1934, as amended, is hereby amended to read as follows:

"REHEARINGS

"SEC. 405. After an order, decision, report, or action has been made or taken in any proceeding by the Commission, or by any designated authority within the Commission pursuant to a delegation under section 5(d)(1), any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing only to the authority making or taking the order, decision, report, or action; and it shall be lawful for such authority, whether it be the Commission or other authority designated under section 5(d)(1), in its discretion, to grant such a rehearing if sufficient reason therefor be made to appear. A petition for rehearing must be filed within thirty days from the date upon which public notice is given of the order, decision, report, or action complained of. No such application shall excuse any person from complying with or obeying any order, decision, report, or action of the Commission, or operate in any manner to stay or postpone the enforcement thereof, without the special order of the Commission. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such order, decision, report, or action, except where the party seeking such review (1) was not a party to the proceedings resulting in such order, decision, report, or action, or (2) relies on questions of fact or law upon which the Commission, or designated authority within the Commission, has been afforded no opportunity to pass. The Commission, or designated authority within the Commission, shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing or granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided*, That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission shall take such action within ninety days of the filing of such petition. Rehearings shall be governed by such general rules as the Commission may establish, except that no evidence other than newly discovered evidence, evidence which has become available only since the original taking of evidence, or evidence which the Commission or designated authority within the Commission believes should have been taken in the original proceeding shall be taken on any

rehearing. The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b) in any case, shall be computed from the date upon which public notice is given of orders disposing of all petitions for rehearing filed with the Commission in such proceeding or case, but any order, decision, report, or action made or taken after such rehearing reversing, changing, or modifying the original order shall be subject to the same provisions with respect to rehearing as an original order."

SEC. 4. Section 409 (a), (b), (c), and (d) of the Communications Act of 1934, as amended, are amended to read as follows:

"(a) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, the person or persons conducting the hearing shall prepare and file an initial, tentative, or recommended decision, except where such person or persons become unavailable to the Commission or where the Commission finds upon the record that due and timely execution of its functions imperatively and unavoidably require that the record be certified to the Commission for initial or final decision.

"(b) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, any party to the proceeding shall be permitted to file exceptions and memoranda in support thereof to the initial, tentative, or recommended decision, which shall be passed upon by the Commission or by the authority within the Commission, if any, to whom the function of passing upon the exceptions is delegated under sections (d)(1).

"(c)(1) In any case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for a hearing, no person who has participated in the presentation or preparations for presentation of such case at the hearing or upon review shall (except to the extent required for the disposition of ex parte matters as authorized by law) directly or indirectly make any additional presentation respecting such case to the hearing officer or officers or, upon review, to the Commission or to any authority within the Commission to whom, in such case, review functions have been delegated by the Commission under section 5(d)(1), unless upon notice and opportunity for all parties to participate.

"(2) The provision in subsection (c) of section 5 of the Administrative Procedure Act which states that such subsection shall not apply in determining applications for initial licenses, shall not be applicable hereafter in the case of applications for initial licenses before the Federal Communications Commission.

"(d) To the extent that the foregoing provisions of this section and section 5(d) are in conflict with the provisions of the Administrative Procedure Act, such provisions of this section and section 5(d) shall be held to supersede and modify the provisions of that Act."

SEC. 5. Notwithstanding the foregoing provisions of this Act, the second sentence of subsection (b) of section 409 of the Communications Act of 1934 (which relates to the filing of exceptions and the presentation of oral argument), as in force at the time of the enactment of this Act, shall continue to be applicable with respect to any case of adjudication (as defined in the Administrative Procedure Act) designated by the Federal Communications Commission for hearing by a notice of hearing issued prior to the date of the enactment of this Act.

Mr. PASTORE. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PASTORE, Mr. THURMOND, Mr. MCGEE, Mr. CASE of New Jersey, and Mr. COTTON conferees on the part of the Senate.

FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 584, S. 1983.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with amendments, on page 2, line 21, after the word "nations", to insert "freedom of the press, information, and religion,"; in line 25, after the word "religion", to insert "In the administration of all parts of this Act these principles shall be supported in such a way as to avoid taking sides in any controversy between countries having friendly relations with the United States while urging both sides to adjudicate the issues involved by means of procedures available to the parties."; on page 3, line 7, after the word "available,", to insert "upon request,"; on page 4, line 19, after the word "Development", to strike out "Loans" and insert "Loan Fund"; after line 19, to insert a new section, as follows:

SEC. 201. GENERAL AUTHORITY.—(a) The President shall establish a fund to be known as the "Development Loan Fund" to be used by the President to make loans pursuant to the authority contained in this title.

At the beginning of line 24, to strike out "Sec. 201. General Authority. (a)" and insert "(b)"; in line 25, after the word "loans", to strike out "repayable" and insert "payable as to principal and interest"; on page 5, line 16, after the word "objectives", to strike out "and"; in line 19, after the word "clear", to strike out "willingness" and insert "determination"; in line 20, after the word "measures", to insert "and (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved."; at the beginning of line 25, to strike out "(b)" and insert "(c)"; on page 6, line 2, after the word "section", to strike out "613(a)" and insert "614 (a)"; in line 9, after the word "be", to strike out "$900,000,000" and insert "$1,187,000,000"; in line 11, after the word "be", to strike out "$1,600,000,000" and insert "$1,900,000,000"; after line 24, to strike out:

(b) United States dollars which are derived directly or indirectly on or after the effective date of this Act from payment of obligations under which the United States Government may require payment exclusively in United States dollars and which were created under (1) an Act to promote the defense of the United States as amended (22 U.S.C. 411 et seq.), (2) the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1622 et seq.), (3) Public Law 79-569 (22 U.S.C. 2861, 286m), (4) the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1501 et seq.), (5) the German and Japanese Government and relief in occupied areas programs, and (6) loans under the Mutual Security Act of 1954, as amended (22 U.S.C. 1750 et seq.) (other than military assistance), shall be available for use for purposes of this title, notwithstanding the provisions of any other Act referred to in this subsection. In the case of any such payments which, were it not for the provisions of this subsection, would have been used to retire notes or obligations issued to finance the activity from which the payments were derived, the President shall assume such notes or obligations, together with any interest accrued and unpaid thereon, in an amount equivalent to such payments.

On page 7, at the beginning of line 22, to strike out "(c)" and insert "(b)"; in line 23, after the word "the", to insert "corporate entity known as the"; in line 24, after the word "Fund", to insert "established by section 202 (a) of the Mutual Security Act of 1954, as amended,"; on page 8, line 1, after the word "unobligated", to insert "and not committed for loans repayable in foreign currencies"; at the beginning of line 3, to strike out "the" and insert "such"; in line 5, after the word "Provisions", to strike out "(a) All receipts from loans made under and in accordance with this title shall be available for use for the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended."; at the beginning of line 11, to strike out "(b)" and insert "(a)"; in line 17, after the word "available", to strike out "pursuant to this part for the purposes of" and insert "for"; at the beginning of line 19, to strike out "(c)" and insert "(b)"; on page 9, line 6, after the word "section", to strike out "201 (a)" and insert "201 (b)"; in line 10, after the word "Committee", to insert "(a)"; in line 17, after the word "States", to insert "Except in the case of officers serving in positions to which they were appointed by the President by and with the advice and consent of the Senate, officers assigned to the Committee shall be so assigned by the President by and with the advice and consent of the Senate."; after line 21, to insert:

(b) There shall be within the agency primarily responsible for administering this part an Office of the Development Loan Fund. Such Office shall provide staff assistance to the Development Loan Committee established by subsection (a) of this section and shall perform such other functions under this part as the President shall prescribe.

On page 10, line 4, after the word "Grants", to insert "And Technical Cooperation"; in line 6, after the word

"Authority", to insert "(a)"; at the beginning of line 11, to insert "through such means as programs of technical cooperation"; in line 23, after the word "measures", to insert "and to pay a fair share of the cost of programs under this title"; after line 24, to insert:

(b) In countries and areas which are in the earlier stages of economic development, programs of development of education and human resources through such means as technical cooperation shall be emphasized, and the furnishing of capital facilities for purposes other than the development of education and human resources shall be given a lower priority until the requisite knowledge and skills have been developed.

On page 11, line 13, after "SEC. 213.", to insert "(a)"; after line 18, to insert:

(b) The United States share of the cost of any research reactor made available to another government under this section shall not exceed $350,000.

On page 12, line 8, after the word "any", to strike out "Act for" and insert "Act, for"; in line 14, after "Sec. 215.", to insert "(a)"; at the top of page 13, to insert:

(b) Where practicable the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by that country of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving country to the designated shipping point of the consignee.

In line 17, after the word "program", to strike out "Each such" and insert "The guaranty program authorized by this title shall be administered under broad criteria, and each"; in line 20, after the word "President", to strike out "and by the government concerned"; in line 23, after the word "associations", to strike out "in which the majority beneficial interest is held" and insert "created under the law of the United States or of any State or territory and substantially beneficially owned"; on page 14, line 16, after the word "war", to strike out the comma and "revolution, insurrection, or civil strife accompanying war, revolution, or insurrection, or due to any sanction which is imposed by any government against the government of the area where the project is located and which materially adversely affects the continued operation of the project"; on page 15, line 3, after the word "loss" to strike out "in whole or in part of a loan investment due to nonpayment for any reason, or assuring against loss in whole or in part of any other form of investment due to such risks as the President may determine, upon such terms and conditions as the President may determine" and, in lieu thereof, to insert "of not to exceed 75 per centum of any investment due to such risks as the President may determine, upon such terms and conditions as the President may determine: *Provided,* That guaranties issued under this paragraph (2) shall emphasize economic development projects furthering social progress and the development of small independent business enterprises, and no such guaranty shall exceed $10,000,000: *Provided further,* That no guaranty of an equity investment issued under this paragraph (2) shall assure against loss resulting from fraud or misconduct in the management of the enterprise, or from normally insurable risks"; in line 23, after the word "the", to strike out "value" and insert "dollar value, as of the date of the investment,"; on page 16, line 19, after the word "collected", to insert "in connection with guaranties issued"; in line 20, after the word "section", to strike out "all fees heretofore collected"; on page 17, line 4, after the word "amended", to strike out "and all reserves maintained for any guaranties heretofore issued pursuant to section 202 (b) of the Mutual Security Act of 1954, as amended,"; in line 17, after the word "fees", to strike out "and reserves"; on page 18, line 9, after the word "of", to insert "funds specifically reserved for such payment pursuant to the proviso to the second sentence of section 222(e), and thereafter shall be paid out of"; in line 12, after the word "fees", to strike out "and reserves"; in line 13, after the word "fees", to strike out "and reserves"; in line 21, after the word "all", to strike out "guaranties issued after June 30, 1956, shall, and all"; in line 23, after the word "guaranties", to strike out "may, be considered" and insert "and all guaranties issued under section 202 (b) of the Mutual Security Act of 1954, as amended, may be considered, and all other guaranties shall be considered"; on page 19, line 15, after "1956", to insert "and guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended,"; in line 19, after the word "any", to strike out "subsequent guaranty" and insert "other guaranties"; in line 22, after the word "liabilities", to insert "or to meet management and custodial costs incurred with respect to assets acquired,"; on page 20, line 8, after the word "fees", to strike out "collected under" and insert "collected, under"; after line 10, to strike out:

(f) The guaranty program authorized by this title shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed countries and areas.

In line 18, after the word "techniques", to strike out "by any person"; on page 21, line 2, after "(a)", to strike out "In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than in extractive industries, in less developed countries and areas, the President is authorized to participate in the financing of such surveys, on such terms and conditions as he may determine, but not in excess of fifty per centum of the total cost of each survey. Such surveys shall be approved by the President and the government concerned." and, in lieu thereof, to insert "In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than surveys of extraction opportunities, in less developed countries and areas, the President is authorized to participate in the financing of such surveys undertaken by any person: *Provided,* That his participation shall not exceed 50 per centum of the total cost of any such survey. The making of each such survey shall be approved by the President."; on page 22, line 10, to strike out "expended," and insert "expended."; in line 14, after the word "association", to strike out "in which the majority beneficial interest is held" and insert "created under the law of the United States or of any State or territory and substantially beneficially owned"; after line 17, to strike out:

(b) the term "extractive industries" means any business undertaking which involves only ascertaining the existence, location, extent, or quality of any deposit or pool of ore, oil, gas, or other mineral, or extracting and exporting the same, or both.

And, in lieu thereof, to insert:

(b) the term "survey of extraction opportunities" means any survey directed (i) to ascertaining the existence, location, extent, or quality of any deposit of ore, oil, gas, or other mineral, or (ii) to determining the feasibility of undertaking operations for the mining or other extraction of any such mineral or for the processing of any such mineral to the stage of commercial marketability.

On page 23, line 8, after the word "to", to insert "use fund made available for this part to"; after line 14, to strike out:

SEC. 242. AUTHORIZATION. There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this title not to exceed $20,000,000, which shall remain available until expended.

On page 24, line 18, after the word "Authorization", to insert "(a)"; in line 22, after the word "exceed", to strike out "$153,000,000" and insert "$153,500,000"; after line 23, to insert:

(b) Of the funds appropriated under this section, in the fiscal year 1962 the following amounts may be used for the following respective purposes pursuant to section 301:

(1) Not to exceed $40,000,000 for contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund.

(2) Not to exceed $12,000,000 for contributions to the United Nations Children's Fund.

(3) Not to exceed $13,350,000 for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

(4) Not to exceed $62,000,000 for contributions to the programs of the United Nations in the Congo.

(5) Not to exceed $1,800,000 for contributions to the budget of the United Nations Emergency Force.

(6) Not to exceed $3,400,000 for contributions to the malaria eradication, water supply, and medical research programs of the World Health Organization.

(7) Not to exceed $750,000 for contributions to the International Atomic Energy Agency.

(8) Not to exceed $16,900,000 for contributions to the Indus Waters Development Fund.

(9) Not to exceed $1,800,000 for contributions to the science program of the North Atlantic Treaty Organization.

(10) Not to exceed $1,500,000 for contributions to the technical cooperation program of the Organization of American States.

(c) The monetary limitations in subsection (b) of this section shall not apply to the exercise of the authorities in sections 451(a) and 610.

On page 26, line 7, after the word "Development", to strike out "Funds" and insert "in the event that funds"; in line 9, after "part II", to strike out "to be" and insert "are"; in line 15, after the word "Asia", to insert "such funds"; on page 27, line 13, after the word "exceed", to strike out "$581,000,000" and insert "$450,000,000"; in line 18, after the word "exceed", to strike out "$500,000,000" and insert "$300,000,000"; in line 23, after the word "the", where it appears the second time, to strike out "appropriate committees of the Congress" and insert "Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives"; on page 28, after line 6, to strike out:

SEC. 502. STATEMENT OF POLICY. The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except for individual or collective self-defense. The Congress hereby finds that the efforts of the United States and other countries to promote peace and security require additional measures of support based upon the principle of continuous and effective self-help and mutual aid. It is the purpose of this part to authorize measures in the common defense against internal and external aggression, including the furnishing of military assistance to countries and international organizations. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying nations against violation and evasion.

The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the countries it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and countries once free but now subject to such domination.

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of countries and international organizations to deter or, if necessary, defeat Communist or Communist-supported aggression, facilitating arrangements for individual and collective security, assisting countries to maintain internal security, and creating an environment of security and stability in the developing countries essential to their more rapid social, economic, and political progress. Finally, the Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

And, in lieu thereof, to insert:

SEC. 502. STATEMENT OF POLICY.—The Congress reaffirms the policy of the United States to achieve international peace and security through the United Nations and through the creation of conditions under which international disputes will be settled by peaceful means. The Congress recognizes that this goal cannot be achieved so long as the world is threatened with aggression by the forces of international communism, and the Congress reaffirms its belief that in these circumstances the security of the United States is strengthened by the security of other free and independent countries. Accordingly, it is the policy of the United States to furnish to such countries, upon request, cooperative military assistance of a kind and in an amount reasonably designed to help them provide for their own security against such aggression and for the security of international organizations of which they may be members. It is the sense of the Congress that an important contribution toward peace would be made by the establishment under the Organization of American States of an international military force.

On page 31, after line 12, to strike out:

SEC. 504. AUTHORIZATION.—There is hereby authorized to be appropriated to the President such sums as may be necessary from time to time to carry out the purposes of this part, which sums shall remain available until expended.

And, in lieu thereof, to insert:

SEC. 504. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal years 1962 and 1963 to carry out the purposes of this part, the sum of $1,800,000,000 for each such fiscal year, which sums shall remain available until expended.

(b) In order to make sure that a dollar spent on military assistance to foreign countries is as necessary as a dollar spent for the United States military establishment, the President shall establish procedures for programing and budgeting so that programs of military assistance come into direct competition for financial support with other activities and programs of the Department of Defense.

On page 32, line 20, after the word "articles", to strike out "or defense services"; in line 21, after the word "country", to insert "on a grant basis"; in line 24, after the word "articles", to strike out "or services"; on page 33, line 3, after the word "transfer", to strike out "or divulge,"; in line 4, after the word "transfer", to strike out "or divulge,"; in line 5, after the word "articles", to strike out "or services, as the case may be,"; in line 7, after the word "articles", to strike out "or services"; at the beginning of line 11, to strike out "or services,"; at the beginning of line 13, to strike out "or services"; in line 17, after the word "such", to strike out "articles and services, other than those acquired by purchase or exchange; and" and insert "articles;"; after line 19, to insert:

(d) it will—

(1) join in promoting international understanding and good will, and maintaining world peace.

(2) take such action as may be mutually agreed upon to eliminate causes of international tension,

(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength, and

(5) take all reasonable measures which may be needed to develop its defense capacities;

On page 34, at the beginning of line 14, to strike out "(d)" and insert "(e)"; in line 17, after the word "articles", to strike out the comma and "other than those acquired by purchase or exchange,"; on page 37, line 5, after the word "exceed", to strike out "$400,000,000" and insert "$200,000,000"; after line 16, to insert a new section, as follows:

SEC. 511. RESTRICTIONS ON MILITARY AID TO LATIN AMERICA.—(a) The value of grant programs of defense articles for American Republics, pursuant to any authority contained in this part other than section 507, in any fiscal year beginning with the fiscal year 1962, shall not exceed $55,000,000: *Provided*, That an amount equal to the amount by which the foregoing ceiling reduces the program as presented to the Congress for the fiscal year 1962 shall be transferred to and consolidated with the appropriation made pursuant to section 212 and shall be used for development grants in American Republics.

(b) Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs for American Republics.

On page 39, line 23, after the word "Business", to insert "(a)"; on page 40, line 13, after the word "articles", to insert "and"; after line 18, to insert:

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such agency of the United States Government as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

After line 23, to insert:

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to part II, such information to be furnished as far in advance as possible.

On page 41, line 6, after the word "transportation", to insert "between foreign countries"; in line 18, after the word "States", to strike out "unless" and insert "only if"; in line 19, after the word "will", to insert "not"; in line 25, after the word "States", to insert "and only if the price of the commodity procured is lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment"; on page 42, line 14, after the word "and", to strike out "where, in" and insert "when in"; in line 19, after the word "supply", to strike out "the" and insert "emergency"; on page 44, line 10, after the word "of", to strike out "Claims within" and insert "Claims, within"; on page 46, line 3, after the word "domestic", to strike out "and" and insert "or"; in line 5, after "(40 U.S.C. 471 et seq.)", to strike out "and" and insert "or"; after line 16, to strike out:

SEC. 609. TRANSFER OF STOCKPILE AND OTHER MATERIALS.—(a) Upon request from the agency primarily responsible for administering part I, specified amounts of designated materials in the categories described in paragraphs (1) and (2) below may be transferred to that agency for use pursuant to the provisions of part I without reimbursement (except for costs incident to such transfer, which shall be paid or reimbursed from funds available under part I: *Provided*, That it has been determined in accordance with the

laws referred to in paragraphs (1) and (2) below that such amounts are not required for the national security and that their transfer is not inconsistent with the national interest:

(1) materials held for United States Government use or resale pursuant to section 303(a) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2093(a)), and

(2) materials held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98 et seq.), and materials held in the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)).

(b) Materials described in subsection (a) of this section may be used to pay in kind costs of providing through normal commercial channels for the refining or processing of other such materials to be transferred under that subsection into a form better suited for use pursuant to the provisions of part I. Such refining or processing may take place either before or after the transfer to the agency primarily responsible for administering part I.

(c) In the case of transfers or other uses pursuant to this section of materials described in paragraph (1) of subsection (a) of this section, notes payable to the Secretary of the Treasury and issued pursuant to section 304(b) of the Defense Production Act of 1950, as amended (50 U.S.C. app. 2094(b)), which represent the acquisition costs of such materials, shall be canceled.

(d) Materials described in paragraph (2) of subsection (a) of this section shall not be transferred pursuant to this section until sixty days after the submission to the Congress and publication in the Federal Register of a plan of transfer which shall be fixed with due regard for the value of the transfer in furthering the purposes of part I and for the protection of producers, processors, and consumers against serious disruption of their usual markets, and which shall state the amount of materials involved. Such materials shall be transferred only if the Congress shall not have disapproved such plan before the termination of such sixty-day period.

And, in lieu thereof, to insert:

SEC. 609. SPECIAL ACCOUNT.—(a) In cases where any commodity is to be furnished on a grant basis under part I under arrangements which will result in the accrual of proceeds to the recipient country from the import or sale thereof, the President may require the recipient country to establish a Special Account, and

(1) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient country in amounts equal to such proceeds;

(2) make available to the United States Government such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(3) utilize the remainder of the Special Account for programs agreed to by the United States Government to carry out the purposes for which new funds authorized by this Act would themselves be available: *Provided*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the United States Government.

(b) Any unencumbered balances of funds which remain in the Account upon termination of assistance to such country under this Act shall be disposed of for such purposes as may, subject to approval by the Act of the Congress, be agreed to between such country and the United States Government.

On page 52, at the beginning of line 6, to insert "which are in excess of amounts reserved under authority of section 105(d) of the Mutual Educational and Cultural Exchange Act of 1961 or any other Act relating to educational and cultural exchanges,"; in line 14, after the word "of", to insert "the amounts so reserved and of"; after line 21, to insert a new section, as follows:

SEC. 613. ACCOUNTING, VALUATION, REPORTING, AND AUDITING OF FOREIGN CURRENCIES.—(a) Under the direction of the President, the Secretary of the Treasury shall have responsibility for accounting and valuation with respect to foreign credits (including currencies) owed to or owned by the United States. In order to carry out such responsibility the Secretary shall issue regulations binding upon all agencies of the Government.

(b) The Secretary of the Treasury shall have sole authority to establish for all foreign currencies or credits the exchange rates at which such currencies are to be used by all agencies of the Government.

(c) Each agency or department shall report to the Secretary of the Treasury an inventory as of June 30, 1961, showing the amount of all foreign currencies on hand of each of the respective countries, and the Secretary of the Treasury shall consolidate these reports as of the same date and submit to the Congress this consolidated report broken down by agencies, by countries, by units of foreign currencies and their dollar equivalent. Thereafter, semiannually, similar reports are to be submitted by the agencies to the Treasury Department and then presented to the Congress by the Secretary of the Treasury.

(d) The Comptroller General is instructed to audit this first Treasury Department's report as of June 30, 1961, and report to the Congress his findings. Thereafter, the Comptroller General is given discretionary authority to audit subsequent reports.

On page 53, at the beginning of line 25, to change the section number from "613" to "614"; on page 55, at the beginning of line 5, to change the section number from "615" to "616"; at the beginning of line 9, to change the section number from "616" to "617", and in the same line, after the word "Assistance", to insert "(a)"; in line 11, after the word "by", to strike out "Act of the Congress" and insert "concurrent resolution"; after line 16, to insert:

(b) In any case in which the President determines that subsequent to July 24, 1959, a country has nationalized or expropriated the property of any United States citizen, or any corporation, partnership, or other association created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens, and has failed within six months of such nationalization or expropriation to take steps determined by the President to be appropriate to discharge its obligations under international law toward such citizen, corporation, partnership, or association, the President shall, unless he determines it to be inconsistent with the national interest, suspend assistance under this Act to such country until he is satisfied that appropriate steps are being taken.

On page 56, after line 5, to insert a new section, as follows:

SEC. 618. ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part 1 of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960.

After line 10, to insert a new section, as follows:

SEC. 619. ASSISTANCE TO NEWLY INDEPENDENT COUNTRIES.—Assistance under part I of this Act to newly independent countries shall, to the maximum extent, appropriate in the circumstances of each case, be furnished through multilateral organizations or in accordance with multilateral plans, on a fair and equitable basis with due regard to self-help.

In line 18, after "Chapter 2", to strike out "Administration" and insert "Administrative"; on page 57, line 5, after the word "the", to insert "corporate entity known as the", and in the same line, after the word "Loan", to strike out "Fund," and insert "Fund and"; in line 6, after the word "Cooperation", to strike out "Administration, and the Office of the Inspector General and Comptroller" and insert "administration"; in line 15, after the word "the", where it appears the third time, to insert "corporate entity known as the"; in line 20, after the word "obligations", to strike out "liabilities" and insert "and liabilities of,"; on page 58, line 2, after the word "agency", to insert "all personnel of the Fund, and"; in line 3, after the word "functions", to strike out "personnel,"; in line 4, after the word "the", to strike out "fund" and insert "Fund", and in the same line, after the word "necessary", to insert "Not later than ninety days after the date of such transfer, the President shall transmit to the Congress a final report of the operations and condition (as of the date of the transfer) of such Fund."; in line 9, after the word "Administration", to strike out "and the Office of the Inspector General and Comptroller,"; in line 12, after "part I", to insert "all personnel of such agency, and"; in line 13, after the word "functions", to strike out "personnel,"; in line 14, after the word "agency", to strike out "and office"; after line 15, to insert:

(e) On the date of the abolition of the agencies referred to in subsections (c) and (d) of this section, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept, the assets, obligations, and liabilities of, and the rights established or acquired for the benefit of, or with respect to, the Export-Import Bank of Washington related to the loans made by the Bank pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)). In addition, on such date the President shall designate such officer or head of agency to be sued in the event of default in the fulfillment of such obligations of the Bank, and shall transfer to such officer or head of agency such records of the Bank as may be necessary.

On page 59, after line 6, to insert a new section, as follows:

SEC. 622. COORDINATION WITH FOREIGN POLICY.—(a) Nothing contained in this Act

shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission. The Chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires.

(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

On page 60, after line 3, to insert a new section, as follows:

SEC. 623. THE SECRETARY OF DEFENSE.—(a) In the case of aid under part II of this Act, the Secretary of Defense shall have primary responsibility for—

(1) the determination of military end-item requirements;

(2) the procurement of military equipment in a manner which permits its integration with service programs;

(3) the supervision of end-item use by the recipient countries;

(4) the supervision of the training of foreign military personnel;

(5) the movement and delivery of military end-items; and

(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense.

At the beginning of line 24, to change the section number from "622" to "624"; on page 61, line 10, after the word "Department", to insert "of whom one shall have, among the duties delegated to him, general supervision over the Development Loan Fund established pursuant to section 201(a)"; in line 17, after the word "Department", to insert "of whom one shall be the head of the Office of the Development Loan Fund established pursuant to section 205(b)"; on page 62, after line 3, to strike out:

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) may be appointed by the President to a position authorized by subsection (a) of this section without further action by the Senate.

And, in lieu thereof, to insert:

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621, may be appointed by the President to a comparable position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

In line 23, after the word "sections", to strike out "205(b), 527(b), and 533A" and insert "205(b) and 527(b)"; on page 63, at the beginning of line 5, to change the section number from "623" to "625"; in line 12, after the word "compensated", to strike out "and" insert "or"; in line 20, after the word "Provided," to strike out "That persons appointed to serve in the agency primarily responsible for administering part I or in the agency responsible for coordinating part I and part II, who have served in such agency prior to appointment to one of the above positions shall be entitled to reinstatement in such agency" and insert "That, under such regulations as the President shall prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement"; on page 64, line 25, after the word "employees", to strike out "of" and insert "by"; on page 66, at the beginning of line 15, to strike out "tion, standards" and insert "tion standards"; in line 20, after the word "law", to insert "but subject to an appropriate administrative appeal," at the top of page 67, to strike out:

(f) Agreements with foreign countries providing for the use of funds made available under this Act for programs of assistance may include provision for the furnishing of services of personnel employed by the United States Goverment.

And, in lieu thereof, to insert:

(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act shall be deemed to be obligated for the services of personnel employed by the United States Government as well as other personnel.

After line 9, to insert:

(g) The principles regarding foreign language competence set forth in section 578 of the Foreign Service Act of 1946, as amended (22 U.S.C. 801), shall be applicable to personnel carrying out functions under this Act and the Secretary of State shall make appropriate designations and standards for such personnel.

After line 15, to insert:

(h) Notwithstanding any other provision of law, officers and employees of the United States Government performing functions under this Act shall not accept from any foreign country any compensation or other benefits. Arrangements may be made by the President with such countries for reimbursement to the United States Government or other sharing of the cost of performing such functions.

At the beginning of line 23, to change the section number from "624" to "626"; on page 70, at the beginning of line 4, to change the section number from "625" to "627"; at the beginning of line 15, to change the section number from "626" to "628"; at the beginning of line 25, to change the section number from "627" to "629"; on page 71, line 2, after the word "section", to strike out "625 or 626" and insert "627 or 628"; in line 12, after the word "section", to strike out "625, 626, or 629" and insert "627, 628, or 631"; at the beginning of line 21, to change the section number from "628" to "630"; in line 22, after the word "section", to strike out "625 or 626" and insert "627 or 628"; on page 73, line 8, after the word "section", to strike out "627" and insert "629"; at the beginning of line 9, to change the section number from "629" to "631"; in line 24, after the word "section", to strike out "623(d)" and insert "625(d)"; at the top of page 74, to strike out:

SEC. 630. JOINT COMMISSION ON RURAL RECONSTRUCTION IN CHINA. The President is authorized to continue to participate in the Joint Commission on Rural Reconstruction in China, and to appoint United States citizens to the Commission.

At the beginning of line 6, to change the section number from "631" to "632"; on page 75, at the beginning of line 21, to strike out "509" and insert "510"; on page 77, line 1, after the word "commodities", to strike out "services" and insert "defense articles, services (including defense services)"; at the beginning of line 25, to strike out "636" and insert "637"; on page 78, at the beginning of line 6, to change the section number from "632" to "633"; in line 16, after the word "provisions", to strike out "as the President may specify"; in line 18, after the word "as", to strike out "amended." and insert "amended, as the President may specify."; at the beginning of line 24, to change the section number from "633" to "634"; on page 79, line 9, after the word "interest", to insert "In the case of each loan made from the Development Loan Fund established pursuant to section 201(a) the President shall make public appropriate information about the loan, including information about the borrower, the nature of the activity being financed, and the economic development objectives being served by the loan."; on page 81, line 3, after "610", to strike out "613(a), or 613(b)" and insert "614(a), or 614(b)"; at the beginning of line 5, to change the section number from "634" to "635"; in line 12, after the word "this", to strike out "Act." and insert "Act, and shall emphasize loans rather than grants wherever possible."; on page 83, line 1, after the word "ownership", to insert "(provided that equity securities may not be directly purchased although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens or pledges or otherwise to satisfy a previously incurred indebtedness)"; in line 25, after the word "of", to insert "investment guaranty"; on page 84, line 1, after the word "operations", to strike out "under this Act"; in line 2, after the word "arbitrated", to insert "with the consent of the parties,"; at the beginning of line 15, to change the section number from "635" to "636"; in line 25, after the word "leased", to strike out "properties, without regard to the limitation contained in section 322 of Public Law 72–212, as amended (40 U.S.C. 278a)" and insert "properties"; on page 85, line 8, after the word "section", to strike out "624" and insert "626"; at the beginning of line 21, to strike out "outside the United States"; at the beginning of line 22, to insert "outside the United States"; on page 86, line 3, after the word "section", to strike

out "629" and insert "631"; on page 88, line 11, after the word "of", where it appears the first time, to strike out "employees" and insert "commissioned officers"; in line 14, after the word "twenty", to strike out "employees" and insert "commissioned officers"; on page 89, line 11, after the word "the", to strike out "United States, for" and insert "United States for"; in line 18, after the word "law", to insert "not to exceed $4,000,000 of the"; on page 90, line 24, after the word "section", to strike out "623(d)(2)" and insert "625(d)(2)"; on page 91, line 22, after the word "section", to strike out "636" and insert "637"; on page 92, line 7, after the word "extraordinary", to insert "(not to exceed $300,000 in any fiscal year)"; in line 15, after "(3)", to strike out "construction,"; at the beginning of line 23, to change the section number from "636" to "637"; on page 93, line 2, after "part I", to strike out "incident to carrying out the provisions of part I, and to exercising functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.)"; in line 10, after the word "Date", to insert "And Short Title"; in line 11, after the word "enactment", to insert "and may be cited as the 'Foreign Assistance Act of 1961'. Programs under this Act shall be identified appropriately overseas as 'American Aid'"; in line 20, after "417", to strike out "502, and 523(d)" and insert "502(a), 502(b), 514, 523(d), 533A, 536, and 552"; on page 94, line 5, after the word "amended", to insert "and"; in line 7, after the word "of", to strike out "1960; and" and insert "1960"; after line 7, to strike out:

(9) Section 7307(b) of title 10 of the United States Code.

On page 98, line 4, after the word "Services", to strike out "include" and insert "includes"; on page 99, after line 21, to strike out:

SEC. 702. Section 1 of the Defense Base Act, as amended (42 U.S.C. 1651), is further amended as follows:

(1) In paragraph (5) of subsection (a), strike out "(other than title II of chapter II thereof)" and substitute "or any successor Act (other than a contract financed by loan repayable in United States dollars, unless the Secretary of Labor, upon the recommendation of the head of any department or other agency of the United States, determines such contract should be covered by this section)".

(2) In subsection (e) strike out "June 30, 1958, but not completed on July 24, 1959" and substitute therefor "but not completed on the date of enactment of any successor Act to the Mutual Security Act of 1954, as amended".

On page 100, after line 9, to strike out:

SEC. 703. In paragraph (4) of section 101(a) of the War Hazards Compensation Act, as amended (42 U.S.C. 1701), strike out "(other than title II of chapter II thereof)" and substitute therefor "or any successor Act (other than a contract financed by loan repayable in United States dollars unless the Secretary, upon the recommendation of the head of any department or agency of the United States, determines such contract should be covered by this section)".

At the beginning of line 18, to change the section number from "704" to "702"; on page 101, line 2, after "1951", to strike out "affected" and insert "effected"; at the beginning of line 6, to change the section number from "705" to "703"; at the beginning of line 11, to change the section number from "706" to "704"; at the beginning of line 15, to change the section number from "707" to "705"; in line 17, after the word "sentence", to insert "as follows:"; at the beginning of line 21, to change the section number from "708" to "706", and on page 102, after line 8, to insert a new section, as follows:

SEC. 707. Section 523(d) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1783(d)), is amended by striking out the words "achievement of United States foreign policy objectives" and inserting in lieu thereof the words "prevention of improper currency transactions".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PART I

Chapter 1—Short title and policy

SEC. 101. SHORT TITLE.—This part may be cited as the "Act for International Development of 1961".

SEC. 102. STATEMENT OF POLICY.—The Congress of the United States reaffirms its belief that peace in the world increasingly depends on wider recognition, both in principle and in practice, of the dignity and interdependence of man, and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom. To this end, the United States has in the past provided assistance to help strengthen the forces of freedom by aiding peoples of less developed countries of the world to develop their resources and improve their living standards, to realize their aspirations for justice, education, dignity, and respect as individual human beings, and to establish responsible governments. The Congress declares it to be a primary necessity, opportunity, and responsibility of the United States, and consistent with its traditions and ideals, to renew the spirit which lay behind these past efforts, and to help make a historic demonstration that economic growth and political democracy can go hand in hand to the end that an enlarged community of free, stable, and self-reliant nations can reduce world tensions and insecurity. In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among nations, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion. In the administration of all parts of this Act these principles shall be supported in such a way as to avoid taking sides in any controversy between countries having friendly relations with the United States while urging both sides to adjudicate the issues involved by means of procedures available to the parties. Accordingly, the Congress hereby affirms it to be the policy of the United States to make assistance available, upon request, under this part in scope and on a basis of long-range continuity essential to the creation of an environment in which the energies of the peoples of the world can be devoted to constructive purposes, free of pressure and erosion by the adversaries of freedom. It is the sense of the Congress that assistance under this part should be complemented by the furnishing under any other Act of surplus agricultural commodities to the maximum extent possible, and that increased disposal be made of excess property and stockpile materials under this part and other Acts.

In order to achieve these basic goals, to the extent practicable, assistance should be based upon well-conceived plans; be directed toward the social as well as economic aspects of economic development; be responsive to the efforts of the recipient countries to mobilize their own resources and help themselves; be cognizant of the external and internal pressures which hamper the transition to growth; and should emphasize long-range development assistance as the primary instrument of such growth. In order continually to increase the effectiveness of development assistance, intensive research should be carried on into the technique of such assistance. Since economic and political stability are indispensable to economic growth and to social progress, it is further the policy of the United States to provide assistance to countries and areas in order to support or promote such stability. The Congess also recognizes the important contribution of the United Nations and its specialized agencies, and of other international organizations and agencies, to the attainment of these goals, as well as to relief of human distress and to scientific progress, and declares that it is the policy of the United States to provide for contribution to those activities of such organizations and agencies which are directed toward such objectives and goals. Finally, the Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

Chapter 2—Development assistance

Title I—Development Loan Fund

SEC. 201. GENERAL AUTHORITY.—(a) The President shall establish a fund to be known as the "Development Loan Fund" to be used by the President to make loans pursuant to the authority contained in this title.

(b) The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine, in order to promote the economic development of less developed countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing, the President shall take into account (1) whether financing could be obtained in whole or in part from other free-world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives, (5) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures, and (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

(c) The authority of section 610 may not be used to decrease the funds available under this title, nor may the authority of

section 614(a) be used to waive the requirements of this title.

SEC. 202. CAPITALIZATION.—(a) The President is authorized to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title. The maximum aggregate amount of such notes issued during the fiscal year 1962 shall be $1,187,000,000, and the maximum aggregate amount of such notes issued during each of the fiscal years 1963 through 1966 shall be $1,900,000,000: *Provided,* That any unissued portion of the maximum amount of notes authorized for any such fiscal year may be issued in any subsequent fiscal year during the note issuing period in addition to the maximum aggregate amount of notes otherwise authorized for such subsequent fiscal year. Such notes shall be redeemable at the option of the President before maturity in such manner as may be stipulated in such notes, and shall have such maturity and other terms and conditions as may be determined by the President. Payment under this subsection of the purchase price of such notes and repayments thereof by the President shall be treated as public-debt transactions of the United States Government.

(b) Except as otherwise provided in this part, the United States dollar assets of the corporate entity known as the Development Loan Fund established by section 202(a) of the Mutual Security Act of 1954, as amended, which remain unobligated and not committed for loans repayable in foreign currencies on the date prior to the abolition of such fund shall be available for use for purposes of this title.

SEC. 203. FISCAL PROVISIONS.—

(a) The President is authorized to incur in carrying out the purposes of this title obligations which may not at any time exceed the sum of (i) all funds made available and all funds authorized to be made available pursuant to the authority, and subject to the fiscal year limitations, provided in section 202(a), and (ii) all other funds made available for this title.

(b) In carrying out the purposes of this title, the President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended (31 U.S.C. 847–849).

SEC. 204. REPORTS.—At the close of each quarter of the fiscal year, the President shall submit to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives a report of activities carried out in such quarter under this title, including appropriate information as to the amount of loans made under section 201(b), and notes issued under section 202(a), as well as any undertakings which have committed the United States Government to future obligations and expenditures of funds.

SEC. 205. DEVELOPMENT LOAN COMMITTEE.—(a) The President shall establish an interagency Development Loan Committee, consisting of such officers from such agencies of the United States Government as he may determine, which shall, under the direction of the President, establish standards and criteria for lending operations under this title in accordance with the foreign and financial policies of the United States. Except in the case of officers serving in positions to which they were appointed by the President by and with the advice and consent of the Senate, officers assigned to the Committee shall be so assigned by the President by and with the advice and consent of the Senate.

(b) There shall be within the agency primarily responsible for administering this part an Office of the Development Loan Fund. Such Office shall provide staff assistance to the Development Loan Committee established by subsection (a) of this section and shall perform such other functions under this part as the President shall prescribe.

Title II—Development Grants and Technical Cooperation

SEC. 211. GENERAL AUTHORITY.—(a) The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of less developed countries and areas, with emphasis upon assisting the development of human resources through such means as programs of technical cooperation. In so doing, the President shall take into account (1) whether the activity gives reasonable promise of contributing to the development of educational or other institutions and programs directed toward social progress, (2) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range development objectives, (3) the economic and technical soundness of the activity to be financed, and (4) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures and to pay a fair share of the cost of programs under this title.

(b) In countries and areas which are in the earlier stages of economic development, programs of development of education and human resources through such means as technical cooperation shall be emphasized, and the furnishing of capital facilities for purposes other than the development of education and human resources shall be given a lower priority until the requisite knowledge and skills have been developed.

SEC. 212. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of section 211 not to exceed $380,000,000, which shall remain available until expended.

SEC. 213. (a) ATOMS FOR PEACE.—The President is authorized to use, in addition to other funds available for such purposes, funds available for the purposes of section 211 for assistance, on such terms and conditions as he may determine, designed to promote the peaceful uses of atomic energy outside the United States.

(b) The United States share of the cost of any research reactor made available to another government under this section shall not exceed $350,000.

SEC. 214. AMERICAN SCHOOLS AND HOSPITALS ABROAD.—(a) The President is authorized to use, in addition to other funds available for such purposes, funds made available for the purposes of section 211 for assistance, on such terms and conditions as he may specify, to schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States.

(b) The President is authorized to use, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), foreign currencies accruing to the United States Government under any Act, for the purposes of subsection (a) of this section, and for assistance, on such terms and conditions as he may specify, to hospitals outside the United States founded or sponsored by United States citizens and serving as centers for medical treatment, education, and research.

SEC. 215. (a) VOLUNTARY AGENCIES.—In order to further the efficient use of United States voluntary contributions for relief and rehabilitation, the President is authorized to use funds made available for the purposes of section 211 to pay transportation charges from United States ports to ports of entry abroad, or, in the case of landlocked countries, to points of entry in such countries, on shipments by the American Red Cross and United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid.

(b) Where practicable the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by that country of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving country to the designated shipping point of the consignee.

Title III—Investment Guaranties

SEC. 221. GENERAL AUTHORITY.—(a) In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less-developed countries and areas, the President is authorized to issue guaranties as provided in subsection (b) of this section of investments in connection with projects, including expansion, moderization, or development of existing enterprises, in any country or area with the government of which the President has agreed to institute the guaranty program. The guaranty program authorized by this title shall be administered under broad criteria, and each project shall be approved by the President.

(b) The President may issue guaranties to United States citizens, or corporations, partnerships, or other associations created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens—

(1) assuring protection in whole or in part against any or all of the following risks:

(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof,

(B) loss of investment in the approved project due to expropriation or confiscation by action of a foreign government, and

(C) loss due to war:

Provided, That the total face amount of the guaranties issued under this paragraph (1) outstanding at any one time shall not exceed $1,000,000,000; and

(2) where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss of not to exceed 75 per centum of any investment due to such risks as the President may determine, upon such terms and conditions as the President may determine: *Provided,* That guaranties issued under this paragraph (2) shall emphasize economic development projects furthering social progress and the development of small independent business enterprises, and no such guaranty shall exceed $10,000,000: *Provided further,* That no guaranty of an equity investment issued under this paragraph (2) shall assure against loss resulting from fraud or misconduct in the management of the enterprise, or from normally insurable risks: *Provided further,* That the total face amount of the guaranties issued under this paragraph (2) outstanding at any one time shall not exceed $100,000,000.

(c) No guaranty shall exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the President plus actual earnings or profits on said investment to the extent provided by such guaranty, nor shall any guaranty extend beyond twenty years from the date of issuance.

(d) The President shall make suitable arrangements for protecting the interests of

the United States Government in connection with any guaranty issued under section 221(b), including arrangements with respect to the ownership, use, and disposition of the currency, credits, assets, or investment on account of which payment under such guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

SEC. 222. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty in an amount to be determined by the President. In the event the fee to be charged for a type of guaranty authorized under section 221(b) is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

(b) All fees collected in connection with guaranties issued under this section, under sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and under section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1509(b)(3)) (exclusive of fees for informational media guaranties heretofore or hereafter issued pursuant to section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442) and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended), shall be available for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be available for expenditure in discharge of liabilities under guaranties made pursuant to such sections, until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section.

(c) In computing the total face amount of guaranties outstanding at any one time for purposes of paragraph (1) of section 221(b), the President shall include the face amounts of outstanding guaranties theretofore issued pursuant to such paragraph, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended, but shall exclude informational media guaranties.

(d) Any payments made to discharge liabilities under guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall be paid first out of funds specifically reserved for such payments pursuant to the proviso to the second sentence of section 222(e), and thereafter shall be paid out of fees referred to in section 222(b) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any such guaranties as long as such funds are available, and finally shall be paid out of funds realized from the sale of notes issued under section 413(b)(4)(F) of the Mutual Security Act of 1954, as amended, and section 111(c)(2) of the Economic Cooperation Act of 1948, as amended.

(e) All guaranties issued prior to July 1, 1956 (exclusive of informational media guaranties), and all guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, may be considered, and all other guaranties shall be considered for the purposes of section 3679 (31 U.S.C. 665) and section 3732 (41 U.S.C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States Government of all outstanding guaranties. Funds obligated in connection with guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall constitute a single reserve, together with funds available for obligation hereunder but not yet obligated, for the payment of claims under all guaranties issued under such sections: *Provided*, That funds obligated in connection with guaranties issued prior to July 1, 1956, and guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, shall not, without the consent of the investor, be available for the payment of claims arising under any other guaranties. Funds available for obligation hereunder shall be decreased by the amount of any payments made to discharge liabilities, or to meet management and custodial costs incurred with respect to assets acquired, under guaranties issued pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be increased by the amount obligated for guaranties as to which all liability of the United States Government has been terminated, and by the amount of funds realized from the sale of currencies or other assets acquired in connection with any payments made to discharge liabilities, and the amount of fees collected, under guaranties issued pursuant to such sections (exclusive of informational media guaranties).

SEC. 223. DEFINITION.—As used in this title the term "investment" includes any contribution of capital commodities, services, patents, processes, or techniques in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital commodities and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made.

Title IV—Surveys of Investment Opportunities

SEC. 231. GENERAL AUTHORITY.—(a) In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than surveys of extraction opportunities, in less developed countries and areas, the President is authorized to participate in the financing of such surveys undertaken by any person: *Provided*, That his participation shall not exceed 50 per centum of the total cost of any such survey. The making of each such survey shall be approved by the President.

(b) In the event that a person who has undertaken a survey in accordance with this title determines, within a period of time to be determined by the President, not to undertake, directly or indirectly, the investment opportunity surveyed, such person shall turn over to the President a professionally acceptable technical report with respect to all matters explored. Such report shall become the property of the United States Government, and the United States Government shall be entitled to have access to, and obtain copies of, all underlying corerspondence, memorandums, working papers, documents, and other materials in connection with the survey.

SEC. 232. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this title not to exceed $5,000,000, which shall remain available until expended.

SEC. 233. DEFINITIONS.—As used in this title—

(a) the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens; and

(b) the term "survey of extraction opportunities" means any survey directed (i) to ascertaining the existence, location, extent, or quality of any deposit of ore, oil, gas, or other mineral, or (ii) to determining the feasibility of undertaking operations for the mining or other extraction of any such mineral or for the processing of any such mineral to the stage of commercial marketability.

Title V—Development Research

SEC. 241. GENERAL AUTHORITY.—The President is authorized to use funds made available for this part to carry out programs of research into the process of economic development in less-developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as he may determine, in order to render such assistance of increasing value and benefit.

Chapter 3—International organizations and programs

SEC. 301. GENERAL AUTHORITY.—(a) The President is authorized to make voluntary contributions on a grant basis to international organizations and to programs administered by such organizations on such terms and conditions as he may determine, in order to further the purposes of this part.

(b) Contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund for the calendar years succeeding 1961 may not exceed 40 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

(c) In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East through contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the President shall take into account (1) whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees, and (2) the extent and success of efforts by the Agency and the Arab host governments to rectify the Palestine refugee relief rolls.

SEC. 302. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use, in addition to funds available under any other Act for such purposes, beginning in the fiscal year 1962 to carry out the purposes of this chapter not to exceed $153,500,000, which shall remain available until expended.

(b) Of the funds appropriated under this section, in the fiscal year 1962 the following amounts may be used for the following respective purposes pursuant to section 301:

(1) Not to exceed $40,000,000 for contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund.

(2) Not to exceed $12,000,000 for contributions to the United Nations Children's Fund.

(3) Not to exceed $13,350,000 for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

(4) Not to exceed $62,000,000 for contributions to the programs of the United Nations in the Congo.

(5) Not to exceed $1,800,000 for contributions to the budget of the United Nations Emergency Force.

(6) Not to exceed $3,400,000 for contributions to the malaria eradication, water supply, and medical research programs of the World Health Organization.

(7) Not to exceed $750,000 for contributions to the International Atomic Energy Agency.

(8) Not to exceed $16,900,000 for contributions to the Indus Waters Development Fund.

(9) Not to exceed $1,800,000 for contributions to the science program of the North Atlantic Treaty Organization.

(10) Not to exceed $1,500,000 for contributions to the technical cooperation program of the Organization of American States.

(c) The monetary limitations in subsection (b) of this section shall not apply to the exercise of the authorities in sections 451(a) and 610.

SEC. 303. INDUS BASIN DEVELOPMENT.—In the event that funds made available under this Act (other than part II) are used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the development of the Indus Basin through the program of cooperation among South Asian and other nations of the free world, which is designed to promote economic growth and political stability in South Asia, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of the purposes of such programs: *Provided,* That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable.

Chapter 4—Supporting assistance

SEC. 401. GENERAL AUTHORITY.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in order to support or promote economic or political stability.

SEC. 402. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this chapter not to exceed $450,000,000, which shall remain available until expended.

Chapter 5—Contingency fund

SEC. 451. CONTINGENCY FUND.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $300,000,000 for use by the President for assistance authorized by part I in accordance with the provisions applicable to the furnishing of such assistance, when he determines such use to be important to the national interest.

(b) The President shall keep the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives currently informed of the use of funds under this section.

PART II

Chapter 1—Short title and policy

SEC. 501. SHORT TITLE.—This part may be cited as the "International Peace and Security Act of 1961".

SEC. 502. STATEMENT OF POLICY.—The Congress reaffirms the policy of the United States to achieve international peace and security through the United Nations and through the creation of conditions under which international disputes will be settled by peaceful means. The Congress recognizes that this goal cannot be achieved so long as the world is threatened with aggression by the forces of international communism, and the Congress reaffirms its belief that in these circumstances the security of the United States is strengthened by the security of other free and independent countries. Accordingly, it is the policy of the United States to furnish to such countries, upon request, cooperative military assistance of a kind and in an amount reasonably designed to help them provide for their own security against such aggression and for the security of international organizations of which they may be members. It is the sense of the Congress that an important contribution toward peace would be made by the establishment under the Organization of American States of an international military force.

Chapter 2—Military assistance

SEC. 503.—GENERAL AUTHORITY.—The President is authorized to furnish military assistance on such terms and conditions as he may determine, to any country or international organization, the assisting of which the President finds to be in the national interest, by—

(a) acquiring from any source and providing (by loan, lease, sale, exchange, grant, or any other means) any defense article or defense service;

(b) making financial contributions to multilateral programs for the acquisition or construction of facilities in foreign countries for collective defense;

(c) providing such other financial assistance as may be necessary to carry out this part, including expenses incident to participation by the United States Government in regional or collective defense organizations; and

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense solely to assist in an advisory capacity or to perform other duties of a noncombatant nature, including those related to training or advice.

SEC. 504. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal years 1962 and 1963 to carry out the purposes of this part, the sum of $1,800,000,000 for each such fiscal yeear, which sums shall remain available until expended.

(b) In order to make sure that a dollar spent on military assistance to foreign countries is as necessary as a dollar spent for the United States military establishment, the President shall establish procedures for programing and budgeting so that programs of military assistance come into direct competition for financial support with other activities and programs of the Department of Defense.

SEC. 505. UTILIZATION OF ASSISTANCE.—(a) Military assistance to any country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

(b) To the extent feasible and consistent with the other purposes of this part, the use of military forces in less developed countries in the construction of public works and other activities helpful to economic development shall be encouraged.

SEC. 506. CONDITIONS OF ELIGIBILITY.—In addition to such other provisions as the President may require, no defense articles shall be furnished to any country on a grant basis unless it shall have agreed that—

(a) it will not, without the consent of the President—

(1) permit any use of such articles by anyone not an officer, employee, or agent of that country,

(2) transfer or permit any officer, employee, or agent of that country to transfer such articles by gift, sale, or otherwise, or

(3) use or permit the use of such articles for purposes other than those for which furnished;

(b) it will maintain the security of such articles and will provide substantially the same degree of security protection afforded to such articles by the United States Government;

(c) it will, as the President may require, permit observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles;

(d) it will—

(1) join in promoting international understanding and good will, and maintaining world peace,

(2) take such action as may be mutually agreed upon to eliminate causes of international tension,

(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength, and

(5) take all reasonable measures which may be needed to develop its defense capacities;

(e) unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, such articles which are no longer needed for the purposes for which furnished.

SEC. 507. SALES.—(a) The President may furnish defense articles from the stocks of the Department of Defense and defense services to any country or international organization, without reimbursement from funds made available for use under this part, if such country or international organization agrees to pay the value thereof in United States dollars. Payment shall be made in advance or, as determined by the President to be in the best interests of the United States, within a reasonable period not to exceed three years after the delivery of the defense articles, or the provision of the defense services. For the purposes of this subsection, the value of excess defense articles shall be not less than (i) the value specified in section 644(m)(1) plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater.

(b) The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale to any country or international organization if such country or international organization provides the United States Government with a dependable undertaking (i) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (ii) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

SEC. 508. REIMBURSEMENTS.—Whenever funds made available for use under this part

are used to furnish military assistance on cash or credit terms, United States dollar repayments, including dollar proceeds derived from the sale to any agency of the United States Government or program of foreign currency repayments, shall be credited to the current applicable appropriation, and shall be available until expended solely for the purpose of furnishing further military assistance on cash or credit terms, and, notwithstanding any provision of law relating to receipts and credits accruing to the United States Government, repayments in foreign currency may be used to carry out this part.

SEC. 509. EXCHANGES.—Defense articles or defense services transferred to the United States Government by a country or international organization as payment for assistance furnished under this part may be used to carry out this part, or may be disposed of or transferred to any agency of the United States Government for stockpiling or other purposes. If such disposal or transfer is made subject to reimbursement, the funds so received shall be credited to the appropriation, fund, or account funding the cost of the assistance furnished or to any appropriation, fund, or account currently available for the same general purpose.

SEC. 510. SPECIAL AUTHORITY.—(a) The President may, if he determines it to be vital to the security of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in any fiscal year shall not exceed $200,000,000. Prompt notice of action taken under this subsection shall be given to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

(b) The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

SEC. 511. RESTRICTIONS ON MILITARY AID TO LATIN AMERICA.—(a) The value of grant programs of defense articles for American Republics, pursuant to any authority contained in this part other than section 507, in any fiscal year beginning with the fiscal year 1962, shall not exceed $55,000,000: *Provided*, That an amount equal to the amount by which the foregoing ceiling reduces the program as presented to the Congress for the fiscal year 1962 shall be transferred to and consolidated with the appropriation made pursuant to section 212 and shall be used for development grants in American Republics.

(b) Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs for American Republics.

PART III

Chapter 1—General provisions

SEC. 601. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of less developed countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this subsection.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

(1) make arrangements to find, and draw the attention of private enterprise to, opportunities for investment and development in less-developed countries and areas;

(2) accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, and its equitable treatment in, countries and areas participating in programs under this Act; and

(3) seek, consistent with the national interest, compliance by other countries or areas with all treaties for commerce and trade and taxes, and take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or area thereof in violation of any such treaty.

SEC. 602. SMALL BUSINESS.—(a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act—

(1) by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds;

(2) by causing to be made available to prospective purchasers in the countries and areas receiving assistance under this Act information as to such commodities, articles, and services produced by small independent enterprises in the United States; and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of such commodities, articles, and services financed with such funds.

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such agency of the United States Government as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to part II, such information to be furnished as far in advance as possible.

SEC. 603. SHIPPING ON UNITED STATES VESSELS.—The ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and transfers of fresh fruit and products thereof under this Act, shall not be governed by the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), or any other law relating to the ocean transportation of commodities on United States flag vessels.

SEC. 604. PROCUREMENT.—(a) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of trade with the rest of the world, which outweigh the economic or other advantages to the United States of less costly procurement outside the United States, and only if the price of the commodity procured is lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(c) In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that such surplus agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

SEC. 605. RETENTION AND USE OF ITEMS.—(a) Any commodities and defense articles procured to carry out this Act shall be retained by, or upon reimbursement, transferred to, and for the use of, such agency of the United States Government as the President may determine in lieu of being disposed of to a foreign country or international organization, whenever in the judgment of the President the best interests of the United States will be served thereby. Any commodities or defense articles so retained may be disposed of without regard to provisions of law relating to the disposal of property owned by the United States Government, when necessary to prevent spoilage or wastage of such commodities or defense articles or to conserve the usefulness thereof. Funds realized from any disposal or transfer shall revert to the respective appropriation, fund, or account used to procure such commodities or defense articles or to the appropriation, fund, or account currently available for the same general purpose.

(b) Whenever commodities are transferred to the United States Government as repayment of assistance under this Act, such commodities may be used in furtherance of the purposes of this Act.

SEC. 606 PATENTS AND TECHNICAL INFORMATION.—(a) Whenever, in connection with the furnishing of assistance under this Act—

(1) an invention or discovery covered by a patent issued by the United States Government is practiced within the United States without the authorization of the owner, or

(2) information, which is (i) protected by law, and (ii) held by the United States Government subject to restrictions imposed by the owner, is disclosed by the United States Government or any of ts officers, employees, or agents in violation of such restrictions, the exclusive remedy of the owner, except as provided in subsection (b) of this section, is to sue the United States Government for reasonable and entire compensation for such practice or disclosure in the District Court of

the United States for the district in which such owner is a resident, or in the Court of Claims, within six years after the cause of action arises. Any period during which the United States Government is in possession of a written claim under subsection (b) of this section before mailing a notice of denial of that claim does not count in computing the six years. In any such suit, the United States Government may plead any defense that may be pleaded by a private person in such an action. The last paragraph of section 1498(a) of title 28 of the United States Code shall apply to inventions and information covered by this section.

(b) Before suit against the United States Government has been instituted, the head of the agency of the United States Government concerned may settle and pay any claim arising under the circumstances described in subsection (a) of this section. No claim may be paid under this subsection unless the amount tendered is accepted by the claimant in full satisfaction.

SEC. 607. FURNISHING OF SERVICES AND COMMODITIES.—Whenever the President determines it to be in furtherance of the purposes of part I, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to nations, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid. Such advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered, may be credited to the current applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

SEC. 608. ADVANCE ACQUISITION OF PROPERTY.—The President is authorized to maintain in a separate account, which shall, notwithstanding section 1210 of the General Appropriation Act, 1951 (64 Stat. 765), be free from fiscal year limitation, $5,000,000 of funds made available under section 212, which may be used to pay costs of acquisition, storage, renovation and rehabilitation, packing, crating, handling, transportation, and related costs of property classified as domestic or foreign excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), or other property, in advance of known requirements therefor for use in furtherance of the purposes of part I. Property acquired pursuant to the preceding sentence may be furnished (i) pursuant to any provision of part I for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred, or (ii) pursuant to section 607, in which case such separate account shall be repaid in accordance with the provisions of that section for all costs incurred.

SEC. 609. SPECIAL ACCOUNT.—(a) In cases where any commodity is to be furnished on a grant basis under part I under arrangements which will result in the accrual of proceeds to the recipient country from the import or sale thereof, the President may require the recipient country to establish a Special Account, and—

(1) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient country in amounts equal to such proceeds;

(2) make available to the United States Government such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(3) utilize the remainder of the Special Account for programs agreed to by the United States Government to carry out the purposes for which new funds authorized by this Act would themselves be available: *Provided*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the United States Government.

(b) Any unencumbered balances of funds which remain in the account upon termination of assistance to such country under this Act shall be disposed of for such purposes as may, subject to approval by the Act of the Congress, be agreed to between such country and the United States Government.

SEC. 610. TRANSFER BETWEEN ACCOUNTS.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

SEC. 611. COMPLETION OF PLANS AND COST ESTIMATES.—(a) No agreement or grant which constitutes an obligation of the United States Government in excess of $100,000 under section 1311 of the Supplemental Appropriation Act, 1955, as amended (31 U.S.C. 200), shall be made for any assistance authorized under titles I and II of chapter 2 and chapter 4 of part I—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed in time to permit the orderly accomplishment of the purposes of such agreement or grant.

(b) Plans required under subsection (a) of this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in Circular A-47 of the Bureau of the Budget with respect to such computations.

(c) To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to subsection (a) of this section shall be made on a competitive basis.

(d) Subsection (a) of this section shall not apply to any assistance furnished for the sole purpose of preparation of engineering, financial, and other plans.

SEC. 612. USE OF FOREIGN CURRENCIES.—Except as otherwise provided in this Act or other Acts, foreign currencies received either (1) as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, and unobligated on the date prior to the effective date of this Act, or (2) on or after the effective date of this Act, as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, or (3) as a result of the furnishing of assistance under part I, which are in excess of amounts reserved under authority of section 105(d) of the Mutual Educational and Cultural Exchange Act of 1961 or any other Act relating to educational and cultural exchanges, may be sold by the Secretary of the Treasury to agencies of the United States Government for payment of their obligations outside the United States, and the United States dollars received as reimbursement shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the amounts so reserved and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, may be used, notwithstanding any law relating to receipts and credits accruing to the United States Government for programs of assistance in furtherance of the purposes of part I.

SEC. 613. ACCOUNTING, VALUATION, REPORTING, AND AUDITING OF FOREIGN CURRENCIES.—(a) Under the direction of the President, the Secretary of the Treasury shall have responsibility for accounting and valuation with respect to foreign credits (including currencies) owed to or owned by the United States. In order to carry out such responsibility the Secretary shall issue regulations binding upon all agencies of the Government.

(b) The Secretary of the Treasury shall have sole authority to establish for all foreign currencies or credits the exchange rates at which such currencies are to be used by all agencies of the Government.

(c) Each agency or department shall report to the Secretary of the Treasury an inventory as of June 30, 1961, showing the amount of all foreign currencies on hand of each of the respective countries, and the Secretary of the Treasury shall consolidate these reports as of the same date and submit to the Congress this consolidated report broken down by agencies, by countries, by units of foreign currencies and their dollar equivalent. Thereafter, semiannually, similar reports are to be submitted by the agencies to the Treasury Department and then presented to the Congress by the Secretary of the Treasury.

(d) The Comptroller General is instructed to audit this first Treasury Department's report as of June 30, 1961, and report to the Congress his findings. Thereafter, the Comptroller General is given discretionary authority to audit subsequent reports.

SEC. 614. SPECIAL AUTHORITIES.—(a) The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed $250,000,000 without regard to the requirements of this Act, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is required by the national interest.

(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

(3) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts.

SEC. 615. CONTRACT AUTHORITY.—Provisions of this Act authorizing the appropriation of funds shall be construed to authorize the

granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

SEC. 616. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act as authorized and appropriated to the President each fiscal year.

SEC. 617. TERMINATION OF ASSISTANCE.—(a) Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed twelve months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto.

(b) In any case in which the President determines that subsequent to July 24, 1959, a country has nationalized or expropriated the property of any United States citizen, or any corporation, partnership, or other association created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens, and has failed within six months of such nationalization or expropriation to take steps determined by the President to be appropriate to discharge its obligations under international law toward such citizen, corporation, partnership, or association, the President shall, unless he determines it to be inconsistent with the national interest, suspend assistance under this Act to such country until he is satisfied that appropriate steps are being taken.

SEC. 618. ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part I of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960.

SEC. 619. ASSISTANCE TO NEWLY INDEPENDENT COUNTRIES.—Assistance under part I of this Act to newly independent countries shall, to the maximum extent appropriate in the circumstances of each case, be furnished through multilateral organizations or in accordance with multilateral plans, on a fair and equitable basis with due regard to self-help.

Chapter 2—Administrative provisions

SEC. 621. EXERCISE OF FUNCTION.—(a) The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions, to any of his subordinates.

(b) Notwithstanding the provisions of section 642(a), the corporate entity known as the Development Loan Fund and the International Cooperation Administration shall continue in existence for a period not to exceed sixty days after the effective date of this Act, unless sooner abolished by the President. There shall continue to be available to each such agency and office during such period the respective functions, offices, personnel, property, records, funds, and assets which were available thereto on the date prior to the effective date of this Act.

(c) On the date of the abolition of the corporate entity known as the Development Loan Fund, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept and assume, the assets, obligations, and liabilities of, and rights established or acquired for the benefit of, or with respect to, the Fund as of the date of abolition and not otherwise disposed of by this Act. In addition, on such date the President shall designate such officer or head of agency as the person to be sued in the event of default in the fulfillment of the obligations of the Fund, and shall transfer to such officer or head of agency all personnel of the Fund, and such offices, entities, functions, property, and records of the Fund as may be necessary. Not later than ninety days after the date of such transfer, the President shall transmit to the Congress a final report of the operations and condition (as of the date of the transfer) of such Fund.

(d) On the date of the abolition of the International Cooperation Administration the President shall transfer to an officer or head of an agency of the United States Government carrying out functions under part I all personnel of such agency, and such offices, entities, functions, property, records, and funds of such agency, not otherwise disposed of by this Act, as may be necessary.

(e) On the date of the abolition of the agencies referred to in subsections (c) and (d) of this section, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept, the assets, obligations, and liabilities of, and the rights established or acquired for the benefit of, or with respect to, the Export-Import Bank of Washington related to the loans made by the Bank pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)). In addition, on such date the President shall designate such officer or head of agency to be sued in the event of default in the fulfillment of such obligations of the Bank, and shall transfer to such officer or head of agency such records of the Bank as may be necessary.

SEC. 622. COORDINATION WITH FOREIGN POLICY.—(a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission. The Chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires.

(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

SEC. 623. THE SECRETARY OF DEFENSE.—(a) In the case of aid under part II of this Act, the Secretary of Defense shall have primary responsibility for—

(1) the determination of military end-item requirements;

(2) the procurement of military equipment in a manner which permits its integration with service programs;

(3) the supervision of end-item use by the recipient countries;

(4) the supervision of the training of foreign military personnel;

(5) the movement and delivery of military end-items; and

(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense.

SEC. 624. STATUTORY OFFICERS.—(a) The President may appoint, by and with the advice and consent of the Senate, twelve officers in the agency primarily responsible for administering part I, of whom—

(1) one shall have the rank of an Under Secretary and shall be compensated at a rate not to exceed the rate authorized by law for any Under Secretary of an executive department;

(2) two shall have the rank of Deputy Under Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Deputy Under Secretary of an executive department, of whom one shall have, among the duties delegated to him, general supervision over the Development Loan Fund established pursuant to section 201(a); and

(3) nine shall have the rank of Assistant Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Assistant Secretary of an executive department, of whom one shall be the head of the Office of the Development Loan Fund established pursuant to section 205(b).

(b) Within the limitations established by subsection (a) of this section, the President may fix the rate of compensation, and may designate the title of, any officer appointed pursuant to the authority contained in that subsection. The President may also fix the order of succession among the officers provided for in paragraphs (2) and (3) of subsection (a) of this section in the event of the absence, death, resignation, or disability of the officers provided for in paragraphs (1) and (2) of that subsection.

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621, may be appointed by the President to a comparable position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

(d) Notwithstanding the provisions of sections 642(a)(1) and 642(a)(2), any person who, on the date prior to the effective date of this Act, held an office or a position authorized pursuant to sections 205(b) and 527(b) of the Mutual Security Act of 1954, as amended, and Reorganization Plan Numbered 7 of 1953, may continue to hold such office or position, subject to the discretion of the head of the agency primarily responsible for administering part I, for a period of not more than sixty days following the effective date of this Act.

SEC. 625. EMPLOYMENT OF PERSONNEL.—(a) Any agency or officer of the United States Government carrying out functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States to carry out part I or coordinate part I and part II, not to exceed eighty-five may be appointed, compensated, or removed without regard to the provisions of any law, of whom not to exceed sixty may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these, not to exceed ten may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year: *Provided*, That, under such regulations as the

President shall prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) Of the personnel employed in the United States to carry out part II, not to exceed twelve may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) For the purpose of performing functions under this Act outside the United States the President may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees by agencies of the United States Government, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of that Act for persons appointed to the Foreign Service Reserve, and the provisions of section 1005 of that Act shall apply in the case of such persons, except that policymaking officials shall not be subject to that part of section 1005 of that Act which prohibits political tests; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended, as the President deems necessary to carry out functions under this Act; and such provisions of the Foreign Service Act of 1946, as amended, as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including in all cases, the provisions of section 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further,* That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive within-class salary increases in accordance with such regulations as the President may prescribe: *Provided further,* That under this paragraph the President may initially assign personnel for duty within the United States for periods not to exceed four years prior to assignment outside the United States.

(e) The President is authorized to prescribe by regulation standards or other criteria for maintaining adequate performance levels for personnel appointed or assigned pursuant to paragraph (2) of subsection (d) of this section and section 527(c)(2) of the Mutual Security Act of 1954, as amended, and may, notwithstanding any other law, but subject to an appropriate administrative appeal, separate employees who fail to meet such standards or other criteria, and also may grant such personnel severance benefits of one month's salary for each year's service, but not to exceed one year's salary at the then current salary rate of such personnel.

(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act shall be deemed to be obligated for the services of personnel employed by the United States Government as well as other personnel.

(g) The principles regarding foreign language competence set forth in section 578 of the Foreign Service Act of 1946, as amended (22 U.S.C. 801), shall be applicable to personnel carrying out functions under this Act and the Secretary of State shall make appropriate designations and standards for such personnel.

(h) Notwithstanding any other provision of law, officers and employees of the United States Government performing functions under this Act shall not accept from any foreign country any compensation or other benefits. Arrangements may be made by the President with such countries for reimbursement to the United States Government or other sharing of the cost of performing such functions.

SEC. 626. EXPERTS, CONSULTANTS, AND RETIRED OFFICERS.—(a) Experts and consultants or organizations thereof may, as authorized by section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), be employed for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time. Contracts for such employment with such organizations, employment of personnel as experts and consultants, not to exceed ten in number, contracts for such employment of retired military personnel with specialized research and development experience, not to exceed ten in number, and contracts for such employment of retired military personnel with specialized experience of a broad politico-military nature, not to exceed five in number, may be renewed annually.

(b) Service of an individual as an expert or consultant under subsection (a) of this section shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263), section 212 of Public Law 72-212, as amended (5 U.S.C. 59a), section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

(c) Notwithstanding section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), any retired officer of any of the services mentioned in the Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.), may hold any office or appointment under this Act, but the compensation of any such retired officer shall be subject to the provisions of section 212 of Public Law 72-212, as amended.

(d) Persons of outstanding experience and ability may be employed without compensation by any agency of the United States Government for the performance of functions under this Act in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160(b)), and regulations issued thereunder.

SEC. 627. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of his agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country by such officer or employee.

SEC. 628. DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with, or as a member of, the international staff of such organization, or to render any technical, scientific, or professional advice or service to, or in cooperation with, such organization.

SEC. 629. STATUS OF PERSONNEL DETAILED.—(a) Any officer or employee, while assigned or detailed under section 627 or 628 of this Act, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act.

(b) Any officer or employee assigned or detailed under section 627, 628, or 631 of this Act is authorized to receive under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

SEC. 630. TERMS OF DETAIL OR ASSIGNMENT.—Details or assignments may be made under section 627 or 628 of this Act or section 408 of the Mutual Security Act of 1954, as amended—

(1) without reimbursement to the United States Government by the foreign government or international organization;

(2) upon agreement by the foreign government or international organization to reimburse the United States Government for compensation, travel expenses, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail; and such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or any part thereof, payable to the account currently available for such purposes;

(3) upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate

fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization; or

(4) subject to the receipt by the United States Government of a credit to be applied against the payment by the United States Government of its share of the expenses of the international organization to which the officer or employee is detailed or assigned, such credit to be based upon the compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of detail or assignment in accordance with section 629.

SEC. 631. MISSIONS AND STAFFS ABROAD.—(a) The President may maintain special missions or staffs outside the United States in such countries and for such periods of time as may be necessary to carry out the purposes of this Act. Each such special mission or staff shall be under the direction of a chief.

(b) The chief and his deputy of each special mission or staff carrying out the purposes of part I shall be appointed by the President, and may, notwithstanding any other law, be removed by the President at his discretion. Such chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946, as amended, or (2) compensation and allowances in accordance with section 625(d), as the President shall determine to be appropriate.

SEC. 632. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(b) Any officer of the United States Government carrying out functions under this Act may utilize the services and facilities of, or procure commodities and defense articles from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out part I, reimbursement or payment, when required, shall be made to such agency from funds available to carry out such part. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be deposited into the Treasury as miscellaneous receipts.

(d) Except as otherwise provided in sections 507 and 510, reimbursement shall be made to any United States Government agency, from funds available for use under part II, for any assistance furnished under part II from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 644(m)) of the defense articles or of the defense services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under part II. The amount of such reimbursement shall be credited to the current applicable appropriations, funds, or accounts of such agency.

(e) In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, (i) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended (second and third paragraphs of 31 U.S.C. 203 and 41 U.S.C. 15), and (ii) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of funds of the United States Government: *Provided*, That such expenditures for commodities, defense articles, services (including defense services), or facilities procured outside the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Credits made by the Export-Import Bank of Washington with funds allocated thereto under subsection (a) of this section or under section 522(a) of the Mutual Security Act of 1954, as amended, shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635e).

(g) Any appropriation or account available to carry out provisions of part I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under part I: *Provided*, That as of the end of such fiscal year such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes: *Provided further*, That such final charge to applicable appropriations or accounts shall not be required in the case of expenses (other than those provided for under section 637) incurred in furnishing assistance by the agency primarily responsible for administering part I where it is determined that the accounting costs of identifying the applicable appropriation or account to which such expenses should be charged would be disproportionate to the advantages to be gained.

SEC. 633. WAIVERS OF CERTAIN LAWS.—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1961, as amended (50 U.S.C. App. 1211 et seq.)), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

(b) The functions authorized under part II may be performed without regard to such provisions of the joint resolution of November 4, 1939 (54 Stat. 4), as amended, as the President may specify.

(c) Notwithstanding the provisions of sections 3544(b) and 8544(b) of title 10 of the United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

SEC. 634. REPORTS AND INFORMATION.—(a) The President shall, while funds made available for the purposes of this Act remain available for obligation, transmit to the Congress after the close of each fiscal year a report concerning operations in that fiscal year under this Act.

(b) The President shall, in the reports required by subsection (a) of this section, and in response to requests from Members of the Congress or inquiries from the public, make public all information concerning operations under this Act not deemed by him to be incompatible with the public interest. In the case of each loan made from the Development Loan Fund established pursuant to section 201(a) the President shall make public appropriate information about the loan, including information about the borrower, the nature of the activity being financed, and the economic development objectives being served by the loan.

(c) None of the funds made available pursuant to the provisions of part I shall be used to carry out any provision of part I in any country or with respect to any project or activity, after the expiration of the thirty-five-day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this Act, has delivered to the office of the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

(d) After the close of each fiscal year, the President shall notify the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives of all actions taken during such fiscal year under this Act which resulted in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or any Act appropriating funds pursuant to authorizations contained in this Act, or which resulted in obligations or reservations greater by 50 per centum or more than the proposed obligations or reservations included in such presentation for the program concerned, and in his notification the President shall state the justification for such changes. In addition, the President shall promptly notify the Committee on Foreign Relations and the Committee on Appropriations of the Senate

and the Speaker of the House of Representatives of any determination under section 303, 610, 614(a), or 614(b).

SEC. 635. GENERAL AUTHORITIES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act, and shall emphasize loans rather than grants wherever possible.

(b) Except as otherwise specifically provided in this Act, the President may make advances and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international organizations in furtherance of the purposes of this Act.

(c) The President may accept and use in furtherance of the purposes of this Act money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

(d) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing technical information and assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

(e) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101(a)(15)), for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

(f) In making loans under this Act, the President—

(1) may issue letters of credit and letters of commitment;

(2) may collect or compromise any obligations assigned to, or held by, and any legal or equitable rights accruing to, him, and, as he may determine, refer any such obligations or rights to the Attorney General for suit or collection;

(3) may acquire and dispose of, upon such terms and conditions as he may determine, any property, including any instrument evidencing indebtedness or ownership (provided that equity securities may not be directly purchased, although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens or pledges or otherwise to satisfy a previously incurred indebtedness), and guarantee payment against any such instrument;

(4) may determine the character of, and necessity for, obligations and expenditures of funds used in making such loans and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States Government; and

(5) shall cause to be maintained an integral set of accounts which shall be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions as provided by the Government Corporation Control Act, as amended (31 U.S.C. 841 et seq.), and no other audit shall be required.

(g) A contract or agreement which entails commitments for the expenditure of funds made available under titles II and V of chapter 2 of part I and under part II may, subject to any future action of the Congress, extend at any time for not more than five years.

(h) Claims arising as a result of investment guaranty operations may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(i) The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for, or participating in, any operation or transaction arising under this Act, or from acquiring any obligation issued in connection with any operation or transaction arising under this Act.

SEC. 636. PROVISIONS ON USES OF FUNDS.—(a) Appropriations for the purposes of or pursuant to this Act (except for part II), allocations to any agency of the United States Government, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to the agency primarily responsible for administering part I, shall be available for:

(1) rent of buildings and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) expenses of attendance at meetings concerned with the purposes of such appropriations or of this Act, including (notwithstanding the provisions of section 9 of Public Law 60–328 (31 U.S.C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 626;

(3) contracting with individuals for personal services abroad: *Provided*, That such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission or any other law;

(4) purchase, maintenance, operation, and hire of aircraft: *Provided*, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

(5) purchase and hire of passenger motor vehicles: *Provided*, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles for administrative purposes outside the United States may be purchased for replacement only, and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles, and the cost, including exchange allowance, of each such replacement shall not exceed $3,500 in the case of an automobile for the chief of any special mission or staff outside the United States established under section 631: *Provided further*, That passenger motor vehicles, other than for the official use (without regard to the limitations contained in section 5 of Public Law 63–127, as amended (5 U.S.C. 78(c)(2)) and section 201 of Public Law 85–468 (5 U.S.C. 78a–1)) of the head of the agency primarily responsible for administering part I, may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act;

(6) entertainment (not to exceed $25,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543) and loss by exchange;

(8) expenditures (not to exceed $50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the head of the agency primarily responsible for administering part I or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

(9) insurance of official motor vehicles or aircraft acquired for use in foreign countries;

(10) rent or lease outside the United States for not to exceed ten years of offices, buildings, grounds, and quarters, including living quarters to house personnel, and payments therefor in advance; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and costs of fuel, water, and utilities for such properties;

(11) expenses of preparing and transporting to their former homes, or, with respect to foreign participants engaged in any program under part I, to their former homes or places of burial, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection;

(12) purchase of uniforms;

(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program under part I while such participants are away from their homes in countries other than the United States, at rates not in excess of those prescribed by the standardized Government travel regulations, notwithstanding any other provision of law;

(14) use in accordance with authorities of the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

(15) ice and drinking water for use outside the United States;

(16) services of commissioned officers of the Coast and Geodetic Survey, and for the purposes of providing such services the Coast and Geodetic Survey may appoint not to exceed twenty commissioned officers in addition to those otherwise authorized;

(17) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage.

(b) Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, for printing and binding without regard to the provisions of any other law, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of funds of the United States Government as may be necessary to accomplish the purposes of this Act.

(c) Notwithstanding any other law, not to exceed $4,000,000 of the funds available for assistance under this Act (other than title I of chapter 2 of part I) may be used in any fiscal year (in addition to funds available for such use under other authorities in this Act) to construct or otherwise acquire outside the United States (i) living

quarters, office space, and necessary supporting faciliites for use of personnel carrying out activities authorized by this Act, and (ii) schools (including dormitories and boarding facilities) and hospitals for use of personnel carrying out activities authorized by this Act, United States Government personnel, and their dependents. In addition, funds made available for assistance under this Act (other than title I of chapter 2 of part I) may be used, notwithstanding any other law, to equip, staff, operate, and maintain such schools and hospitals.

(d) Not to exceed $1,500,000 of the funds available for assistance under this Act (other than title I of chapter 2 of part I) may be used in any fiscal year to provide assistance, on such terms and conditions as are deemed appropriate, to schools established, or to be established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel, in lieu of acquisition or construction pursuant to subsection (c) of this section.

(e) Funds available under this Act (other than title I of chapter 2 of part I) may be used to pay costs of training United States citizen personnel employed or assigned pursuant to section 625(d)(2) (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firm; and the provisions of Public Law 84-918 (7 U.S.C. 1881 et seq.) may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions specified in that Act. Such training shall not be considered employment or holding of office under section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), and any payments or contributions in connection therewith may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency: *Provided, however,* That any such payments to an employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

(f) Funds made available under section 212 may be used for expenses (other than those provided for under section 637) to assist in carrying out functions under title I of chapter 2 of part I, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.), performed by the agency primarily responsible for administering part I.

(g) Funds made available for the purposes of part II shall be available for—

(1) administrative, extraordinary (not to exceed $300,000 in any fiscal year), and operating expenses;

(2) reimbursement of actual expenses of military officers detailed or assigned as tour directors in connection with orientation visits of foreign military personnel, in accordance with the provisions of section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836), applicable to civilian officers and employees; and

(3) maintenance, repair, alteration, and furnishing of United States-owned facilities in the District of Columbia or elsewhere for the training of foreign military personnel, without regard to the provisions of section 3733 of the Revised Statutes (41 U.S.C. 12) or other provision of law requiring a specific authorization or specific appropriation for such public contracts.

SEC. 637. ADMINISTRATIVE EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $51,000,000 for necessary administrative expenses of the agency primarily responsible for administering part I.

Chapter 3—Miscellaneous provisions

SEC. 641. EFFECTIVE DATE AND SHORT TITLE.—This Act shall take effect on the date of its enactment, and may be cited as the "Foreign Assistance Act of 1961". Programs under this Act shall be identified appropriately overseas as "American Aid".

SEC. 642. STATUTES REPEALED.—(a) There are hereby repealed—

(1) Reorganization Plan Numbered 7 of 1953;

(2) the Mutual Security Act of 1954, as amended (except sections 143, 402, 405(a), 405(c), 405(d), 408, 414, 417, 502(a), 502(b), 514, 523(d), 533A, 536, and 552);

(3) section 12 of the Mutual Security Act of 1955;

(4) sections 12, 13, and 14 of the Mutual Security Act of 1956;

(5) section 503 of the Mutual Security Act of 1958;

(6) section 108 of the Mutual Security Appropriation Act, 1959;

(7) section 501(a), chapter VI, and sections 702 and 703 of the Mutual Security Act of 1959, as amended; and

(8) section 604 and chapter VIII of the Mutual Security Act of 1960.

(b) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall hereafter be deemed to be references to this Act or appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) of this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

SEC. 643. SAVING PROVISIONS.—(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 642(a) shall continue in full force and effect until modified by appropriate authority.

(b) Wherever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 642(a) or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available pursuant to provisions of law repealed by section 642(a)(2) shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

(d) No provision of this Act shall affect, or be deemed to affect, except as the President may determine, the agency within the Department of State known as the Peace Corps, nor any of the functions, offices, personnel, property, records, and funds available thereto on the date prior to the effective date of this Act, pending the enactment of legislation for the Peace Corps or the adjournment of the first session of the Eighty-seventh Congress, whichever is earlier.

SEC. 644. DEFINITIONS.—As used in this Act—

(a) "Agency of the United States Government" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

(b) "Armed Forces of the United States" means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(c) "Commodity" includes any material, article, supply, goods, or equipment used for the purposes of furnishing nonmilitary assistance.

(d) "Defense article" includes—

(1) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;

(2) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance;

(3) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this subsection; or

(4) any component or part of any article listed in this subsection; but

shall not include merchant vessels or, as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, byproduct material, special nuclear material, or atomic weapons.

(e) "Defense information" includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service, but shall not include Restricted Data and formerly Restricted Data as defined by the Atomic Energy Act of 1954, as amended.

(f) "Defense service" includes any service, test, inspection, repair, training, training aid, publication, or technical or other assistance, including the transfer of limited quantities of defense articles for test, evaluation, or standardization purposes, or defense information used for the purposes of furnishing military assistance.

(g) "Excess defense articles" means the quantity of defense articles owned by the United States Government which is in excess of the mobilization reserve.

(h) "Function" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

(i) "Mobilization reserve" means the quantity of defense articles determined to be required, under regulations prescribed by the President, to support mobilization of the Armed Forces of the United States Government in the event of war or national emergency.

(j) "Officer or employee" means civilian personnel and members of the Armed Forces of the United States Government.

(k) "Services" includes any service, repair, training of personnel, or technical or other assistance or information used for the purpose of furnishing nonmilitary assistance.

(l) "Surplus agricultural commodity" means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for United States dollars, as determined by the Secretary of Agriculture.

(m) "Value" means—

(1) with respect to excess defense articles, the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such articles; and

(2) with respect to nonexcess defense articles the price obtaining for transfers of such articles between the Armed Forces of the United States Government, or, where such articles are not transferred between

the Armed Forces of the United States, the gross cost to the United States Government adjusted as appropriate for condition and market value.

SEC. 645. UNEXPENDED BALANCES.—Unexpended balances of funds made available pursuant to the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

SEC. 646. CONSTRUCTION.—If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act and of the applicability of such provision to other circumstances or persons shall not be affected thereby.

PART IV

SEC. 701. Section 203 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484), is amended by adding a new subsection (p) reading as follows:

"(p) In disposing of surplus property, the Administrator is authorized to accept payments in foreign currency, under regulations prescribed by the Administrator."

SEC. 702. (a) Section 305 of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) is amended to read as follows:

"SEC. 305. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time to carry out the objectives of this Act."

(b) The amendment to section 305 of the Mutual Defense Assistance Control Act of 1951 effected by subsection (a) of this section shall not be deemed to affect the repeal of laws effected by that section prior to such amendment.

SEC. 703. Section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)), is amended by substituting "such agency as the President shall direct" and "agency" for "the Export-Import Bank" and "bank", respectively.

SEC. 704. Section 5 of the joint resolution to promote peace and stability in the Middle East (22 U.S.C. 1964) is amended by substituting "whenever appropriate" for "within the months of January and July of each year".

SEC. 705. Section 5(f) of the International Health Research Act of 1960 (22 U.S.C. 2103(f)) is amended by adding a new final sentence as follows: "The President may delegate any authority vested in him by this section to such other officer or head of agency of the United States Government as he deems appropriate."

SEC. 706. The Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.), is amended by adding a new section 4 reading as follows:

"GENERAL PROVISION

"SEC. 4. Funds appropriated under sections 2 and 3 of this Act may be used for assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated."

SEC. 707. Section 523(d) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1783(d)), is amended by striking out the words "achievement of United States foreign policy objectives" and inserting in lieu thereof the words "prevention of improper currency transactions".

CONGRESSIONAL OVERSIGHT OF FOREIGN AID BORROWING AUTHORITY

Mr. SALTONSTALL. Mr. President, I have always supported a strong and responsive foreign aid program. America must provide the leadership to help overcome the tremendous problems of poverty, disease, and illiteracy which exist in most areas of the world today. Both our own security and our traditional ideals call for such leadership, and I believe that we have the resources to provide it. The huge standard-of-living gap which exists in the world today is the biggest single root cause of war, and therefore, in the final analysis, a good foreign aid program is as essential for the security of freedom as are missiles, bombers, and modern conventional weaponry.

The problems are the worst in the underdeveloped areas of the world, which require capital development assistance to achieve stable and growing economies. The assurance of dependable long-term help is needed in development aid or the job simply cannot be done. I therefore support the principle of some long-term borrowing authority in order to efficiently finance a meaningful development loan program. It is significant that the Soviet Union—well understanding the value of help in the poorer areas as an instrument toward world domination—offers capital development aid which achieves the ends of flexibility and long-term planning. We must do so also.

On the other hand, many of us in Congress are seriously concerned that Congress keep its strong control over the expenditures of the Federal Government. Sufficient opportunity for such continuing control is simply not present in title I of chapter 2 of the AID bill.

Mr. President, I therefore send to the desk and ask to have printed an amendment to S. 1983, in which the junior Senator from New York [Mr. KEATING], the senior Senator from Connecticut [Mr. BUSH], the junior Senator from Connecticut [Mr. DODD], and the Senator from Kentucky [Mr. MORTON] have joined me as cosponsors. These Senators have given immeasurable help in preparing the amendment.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. SALTONSTALL. Mr. President, this amendment would strengthen the congressional oversight of the lending of borrowed Treasury funds under the development loan program without damaging the instrument of long-term borrowing authority.

The amendment provides that a detailed report with respect to any proposed loan over $10 million be submitted to Congress by the executive branch. According to the technique of the Reorganization Act of 1949, if neither House of Congress adopts within 30 days a resolution disfavoring the loan, it will go through. The amendment provides for congressional postponement of proposed loans when Congress is out of session if a special subcommittee disfavors the loan. In this event, the loan would be considered under the normal procedure of the amendment when Congress reconvened.

Mr. President, I believe this to be a careful and serious proposal which can achieve the dual objective of proper congressional control and an effectively long-term development aid program, and I hope that it will receive close study from the Members of the Senate.

Mr. KEATING. Mr. President, I am very happy to cosponsor the amendment offered today by the senior Senator from Massachusetts [Mr. SALTONSTALL]. This measure grew out of informal discussions earlier this week. The distinguished Senator from Massachusetts has studied the idea very carefully, on the basis of his long experience as a member of the Committee on Appropriations, and has substantially improved the original idea. The amendment is now in a form in which it offers very real advantages, not only as a compromise position, but also, and even more important, as a valid method of assuring a reasonable and continuing degree of congressional oversight on the activities of the Development Loan Fund, or its successor.

Mr. President, the real problem is how to combine long-term planning of foreign assistance with continued congressional control and oversight of the purse. This proposal provides an excellent way of doing that. Basically, it would require that any proposed loan over $10 million, financed by borrowing from the Treasury, be laid before the Congress for 30 days and come into effect only if no resolution of disapproval was passed by a majority of either House in that time. During periods when Congress was not in session, subcommittees from each Appropriations Committee would review the proposal and if they disapproved, then it would be resubmitted to the Congress again as soon as the Congress came back into session. This procedure would apply only to loans of over $10 million.

Mr. President, this procedure, which is modeled roughly on that of agency reorganization plans, permits congressional oversight and review on lending operations before a final commitment is made. It gives Congress an opportunity, in the few instances where this may be necessary, of offering constructive advice and corrective action before loans actually come into effect. It does not hamstring long-term planning, but it does provide a congressional check. It does not require any new or basically different procedures. It would operate through existing committees. The only innovation would be the creation of a subcommittee when Congress was not in session.

Mr. President, the need for further control of the borrowing authority than is provided by the administration is clear to anyone who has looked closely at the bill. The amendment is designed to spell out more carefully and with procedures clearly established the extent of congressional oversight on long-term

DLF loans. I believe it offers a reasonable and in fact valuable substitute both for the complete abnegation of congressional power now provided in the bill and for the more drastic elimination of borrowing authority proposed by the Byrd amendment. It is my hope that every Senator who is concerned with this problem will take the opportunity to study this amendment carefully.

Mr. President, Arthur Krock's column in today's New York Times contains a most perceptive discussion of some of the principal points involved in this controversy.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

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

THE FOREIGN AID BORROWING AUTHORITY ISSUE

(By Arthur Krock)

WASHINGTON, August 3.—The conflict in Congress over the President's request for a 5-year advance appropriation for foreign aid is one of the steadily recurring instances in government when both advocates and opponents have strong points in their favor. Often these conflicts have been resolved by an adjustment in which the fundamentals of both positions are preserved.

The President is employing the immense personal and ex officio pressures at his command, and those contributed by the Berlin crisis, to get unmodified approval of his proposal. But the opposition—particularly evident in the House—is such that the prospect of adjustment cannot wisely be foreclosed until the key votes are taken in both branches. And of these key votes, unless there are off-the-floor agreements beforehand, the most significant will be on the amendments prepared by Senators BYRD, of Virginia, and KEATING, of New York, a Democrat and a Republican.

The Byrd amendment would commit Congress, morally, to supply the $8.8 billions which will permit the Executive to make plans on which loans for long-range foreign aid development projects can be firmly founded. Under the present system, and not necessarily in the amount requested by the President, Congress annually makes available to him only a year's supply of money for these loans. The obvious consequence is that the foreign aid agencies can make loans only year by year for projects that require many years for completion.

This is an unsatisfactory method of financing either private or public long-term projects. This defect being self-evident, the administration turned to what in private enterprise would be the practical way to remove it. This is, for Congress to empower the Executive in advance to borrow money from the Treasury over a span of 5 years until the $8.8 billion has been used up.

POINTS OF OPPOSITION

But, from the viewpoints of Congress and critics of the administrative record and results of the foreign aid programs, the objections to this grant to the Executive of borrowing power for several years beyond the fixed 2-year life of the Congress that assigned it are equally practical. They include:

For 5 years Congress would cease to control the expenditure of foreign aid and hence forgo to the degree the constitutional check-and-balance of its power of the purse. Congress could demand periodic accounting of the expenditures made under the development program. But Congress, instead of the Executive as at present, would have the burden of proving that the funds were not soundly disbursed or administered. And if the Congress which made the grant, or the next, exercised its right to terminate the borrowing privilege it granted, the U.S. Government would stand before the world in default of foreign aid commitments made with full legal authority at the time. Or, since technically the Executive could commit in 1 fiscal year the entire $8.8 billion Congress had given it for 5 years, there conceivably could be no money left for Congress to recapture.

Senator BYRD's amendment is designed to meet these objections, and at the same time to give formal approval of Congress to the principle of guaranteeing the loans required to complete long-term foreign aid development projects. He would authorize (guarantee) the $8.8 billion requested by the President for this purpose. But he would require actual annual appropriation by Congress in fulfilling the commitment to which it was pledged. Senator KEATING would give the President the full advance $8.8 billion borrowing authority he wants, thus obviating annual appropriations by Congress. But his amendment would provide that any proposed foreign aid loan from $10 million upward, and of more than a year's duration, must first be submitted to Congress and become operative only when, after 30 days, neither branch had disapproved it.

If something has to give, as is characteristic of major legislative-executive conflicts, and the Byrd amendment fails, the Keating amendment may well be that something so far as the Senate is concerned. But the President, could defeat both in that branch, and still have to give ground in the House.

SUPPORT OF NATO BY OUR ALLIES

Mr. DWORSHAK. Mr. President, the total augmentation of our Army Forces alone in Europe, as provided for in the defense appropriation measure just approved, could involve about 38,000 men, and an increase of approximately $150 million for military personnel and operation and maintenance costs. This is over and above the manpower and money we are now providing for Europe, and does not include other increases in our military called for in this measure.

If NATO's house is in order, why do we have to send our men over there? I recall that the former President, Dwight D. Eisenhower, said before he left office that probably we ought to recall some of our military personnel from Europe.

But we are reversing our policy again. Now we are going to send more of our men over there. In the past several years I have tried to emphasize that perhaps there is some justification for sending American dollars over there; but with the other NATO countries having more than double the population we have, it seems incredible and indefensible that we have to send more American youths, many of them drafted, to supplement the military personnel of NATO. Let us concede they may need some financial assistance from us, but do they need our military manpower, too?

For the past several years we have been receiving soothing assurances that NATO was fit and ready for any responsibility. But now, when we prepare for meeting a real threat, we find that these assurances have not been altogether correct. In fact, as my distinguished colleague, the senior Senator from Louisiana [Mr. ELLENDER], has said many times in the past, "NATO has not been much more than a blueprint in recent years." One thing that this Berlin crisis is doing is to alert the American people to realize what I and other members of the Senate Appropriations Subcommittee handling the defense budget have been maintaining for several years; namely, that our NATO allies are not meeting their commitments.

I am aware of the validity of the statements Defense Department officials have made in recent weeks—that the form of Soviet aggression has changed, and that this, in itself, makes some modification of NATO structure necessary. I agree with Secretary of Defense McNamara that partially because of that shift in their tactics, the NATO nations combined must increase their military options and military alternatives, to meet this new challenge. But I say we must be assured that our allies are going to put more than blueprint military forces into NATO while we send American men and American dollars to NATO.

Following World War II, we sent billions of dollars to Europe, to help rehabilitate the physical and economic structures of the nations that were devastated by the ravages of that conflict. Our program there has been successful, as is witnessed by the remarkable economic recovery of most of these nations. They are no longer on their knees economically, and they should be willing now to assume their full obligation, in every way possible, to NATO defenses.

The most difficult problem now facing the United States is persuading its NATO allies to finance more of the defense bill in Europe—both in men and in money.

Mr. President, reports from Europe indicate a general apathy on the part of the European public to the threats posed by the current crisis. Great Britian is launching an austerity program, and this year ended its military draft program; France is harassed in north Africa; and there is little change in the military callups of other NATO nations at present. This compares with our call for an increase in the selective service, our callup of Reserve units, and our approval of the largest peacetime defense budget in history.

In our subcommittee hearings on the defense budget, I have listened intently, and believe that Secretary of Defense McNamara is well informed on the vital points of our defense needs; and I want to reiterate here my commendation made at the subcommittee hearing:

> Secretary McNamara has been much more forthright than other witnesses have been in past years in trying to be realistic in appraising the status of NATO. I think that his testimony indicates that he is fully alert to our need of getting more cooperation from our NATO allies.

I certainly do not want the RECORD to indicate in any way that I am unmindful of the fine contribution our NATO allies have made; but I want to emphasize that we have been living in a dream world for several years, when we were forced to make no showdown in the face of Soviet aggression. This Berlin development, the President's recent challenging message, the plans to call up thousands of men for the military, and the plans to spend billions of

dollars for military appropriations all reflect the very imperative need to enlist the full capabilities of the free nations of the world. Some spokesmen in this administration should be sent to convince our NATO allies, particularly, that they ought to be willing to stand up with the United States and to shoulder as much of this burden as is necessary for their own survival, as well as ours. Just increasing our contributions to NATO is not enough; we must work out a program that will bring into action the capabilities of all NATO nations to meet this Soviet challenge. Our NATO defense chain can be no stronger than its weakest link.

Mr. President, when requests are made for military budget increases and foreign aid, we are continually told that these actions provide assurances to our allies of our willingness to fight in their behalf. I cannot question this psychological conclusion; but I wonder whether there is any determination or willingness on the part of our allies, particularly in NATO, to cooperate with us, first, in furnishing essential manpower, and to have the determination to meet the Soviet aggression. I say it is time that we determine whether our allies have the same determination to cooperate with us.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement entitled "Cooperation of NATO Allies," which appears on page 4 of the report submitted by the Appropriations Committee on the defense budget.

There being no objection, the excerpt from the report (No. 653) was ordered to be printed in the RECORD, as follows:

COOPERATION OF NATO ALLIES

In this bill the committee has granted all of the requests of the President and the Department of Defense to meet the current emergency and, in fact, has added to some of these requests.

However, action by the United States alone will not be sufficient to increase the NATO force to the levels required. We hope and expect that our NATO allies will complement our action with action of their own which, combined with ours, will lead to a substantial increase in the military power of our NATO alliance. The committee strongly recommends that the executive branch of the Government on all levels do its utmost to secure from our NATO allies the cooperation necessary to strengthen the combined NATO forces by meeting their commitments. It is only reasonable to expect that all nations of the free world living under the threat of Soviet aggression do their part by providing the military strength to which they have agreed. The committee believes that the United States has repeatedly demonstrated that it can be counted on to provide its share of the men and material necessary to carry out our common purpose. Certainly, our NATO allies should show, by fulfilling their past promises, that they intend to cooperate with us in meeting new problems as they may develop.

"KERR-ENT STATUS"

Mrs. SMITH of Maine. Mr. President, I think that Congress perhaps is the most prolific provider of journalism per capita of any organization in our country—or the world, for that matter. For we have more columnists per Member than any other organization that I know of.

I do not have the statistics on the number of newsletters or congressional columns and reports distributed by the Members of Congress but I am sure that the total is well in the several hundred.

In fact, I know, from the situation in my own home State of Maine, which, at one time, had five congressional columnists mailing out weekly or monthly columns to the newspapers back in Maine. I was one of that group of two Senators and three Representatives writing such regular reports.

Ultimately, I concluded that such a heavy concentration was such a burden on the Maine newspapers—particularly the Maine weekly newspapers with their limited space—that I decided to give them some relief by discontinuing the congressional column or report that I had been mailing regularly to them.

And I know that they were relieved and were grateful that I made such a contribution to lessen the cluttering up of their mail and easing their space problem. I am sure that many of them were happy about it as it gave them room to publish the weekly report of a State senator or a State representative on the doings in the Maine State Legislature.

But a new publication from the Halls of Congress commands the greatest respect from me. It is something new. It is not merely a monthly congressional report. It is not merely a weekly congressional report. It is a daily congressional report.

More than that—it is not just a report. It is a newspaper. And it is the hottest off-the-press newspaper I have ever seen—for it carries news items that are but minutes old—it prints the news almost before it happens.

It is brief—being only one page. But there is more congressional news packed in that one page than you will find in any daily newspaper or any national magazine.

It has excellent humor—humor that equals that of the New Yorker magazine or Bob Hope or Senator Kenneth Keating or Senator Hugh Scott.

It has pithy condensation that excels the capsule sheets of the U.S. News & World Report and the Washington Post Newsweek.

It is as accurate as the New York Times—and it truly prints all the congressional news that's fit to print.

It is uniquely colorful—with even great imagination in its color—for the paper it is printed on, with refreshing rotation, encompasses all the colors of the rainbow range.

It has a wide and facile range of expression, whether the form be a menu in French or an Oklahoman bill of fare.

It is must reading—and very seriously I look forward to it every day, not only to get myself informed on the top news and the schedule of congressional activities, but also to have a few gems of humor to lift my spirits.

My only complaint and criticism is that it is only an afternoon paper. I wish there were a morning edition of it, so that I could start my day so pleasantly instead of having to wait until around 3 or 3:30 in the afternoon to have the splendid benefit of it. Yes; I want it to be both a morning and an afternoon paper.

I am, of course, speaking of the one and only "Kerr-ent Status," published by the senior Senator from Oklahoma, and edited by his excellent staff member, Paul McBride.

I know that many Senators share my feeling of gratitude to him and I wish to say in all seriousness that his daily publication is not only unique, but it is also a real public service—and a public service which I feel deserves the fullest recognition.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

Mr. ELLENDER. Mr. President, reserving the right to object, even with the adoption of these amendments, any amendment from the floor will be in order, would it?

The PRESIDING OFFICER. The Senator is correct. Is there objection to the request of the Senator from Arkansas?

There being no objection, the committee amendments were agreed to en bloc.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, I offer amendment "7-28-61—A" and ask to have it stated and made the pending question.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 6 it is proposed to strike out lines 4 to 24, inclusive, and insert the following:

SEC. 202. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use in carrying out the provisions of this title such sums, not to exceed $1,187,000,000 for use beginning in the fiscal year 1962 and not to exceed $1,900,000,000 for use beginning in each of the fiscal years 1963 through 1966, as the Congress shall hereafter determine to be necessary, which amounts shall remain available until expended.

On page 8, line 13, beginning with "(i)" it is proposed to strike out down to the comma in line 16, and insert the following:

(i) all funds appropriated pursuant to the authorization contained in section 202(a).

On page 8, it is proposed to strike out lines 19 to 23, inclusive.

On page 9, lines 6 and 7, it is proposed to strike out "and notes issued under section 202(a),".

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. How long does the Senator wish to speak?

Mr. JAVITS. Five minutes.

Mr. FULBRIGHT. Mr. President, I yield to the Senator from New York for a short statement.

Mr. JAVITS. Mr. President, I ask unanimous consent that my remarks may follow those of the Senator from Arkansas in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. GORE. Mr. President, will the Senator from Arkansas yield so that I may suggest the absence of a quorum?

Mr. FULBRIGHT. I should like to make a short statement first, and then I will yield to the Senator.

THE RIGHT TO TRAVEL FREELY WITHIN ALL SECTORS OF BERLIN

Mr. FULBRIGHT. Mr. President, last Sunday I appeared on the ABC network television and radio program, "Issues and Answers." In the course of that program one of the exchanges led to an unfortunate and erroneous impression of my views. When asked if I thought the West should make any concessions on the question of the flight of East German refugees to West Berlin, I responded that this, too, is something that could be discussed, because—and this is the point—the East Germans have the ability to control travel within East Germany.

The imposition of tighter travel restrictions by the East Germans on travel of East German citizens within East Germany could restrict access of East German citizens to all of Berlin, thus depriving a large number of potential refugees from East Germany—as distinguished from East Berlin—of this convenient means of escape.

As I pointed out in the TV and radio interview, I know of no agreements to which the Western Powers are party which prohibit the East Germans from restricting the travel of East German citizens within East Germany—outside of Berlin. It is to that point of reference that my response was intended in the interview.

I certainly did not intend to imply that the West should execute any agreement whereby the West would assist in enforcing any restrictions imposed by East Germany on travel within East Germany nor that the West should consider changing existing agreements and consent to closing West Berlin to refugees wishing to enter.

The right of persons to move freely within all sectors of Berlin is entirely another matter and is guaranteed by post-war agreements signed by the United States, Britain, France, and the Soviet Union. I do not consider such right to be negotiable.

THE UNITED ARAB REPUBLIC

Mr. FULBRIGHT. Mr. President, there is a profound lack of understanding in this country of the developments in the United Arab Republic.

I congratulate the Washington Post and Times Herald for carrying an article from the Times of India about the UAR, and 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:

NASSER'S DECADE: A FRIENDLY VIEW

(By Don Passos)

The 10th year of his revolution finds President Gamal Abdel Nasser face to face with a challenge in some respects greater than any he has met so far. This is the challenge of internal consolidation.

The revolution unleashed in Egypt 9 years ago has now acquired a symbolic value in the Arab world. If it has not pulled down so many physical frontiers, it has certainly demolished the frontiers that once kept the Arab mind divided.

With all their painful problems of growth, the Arabs now know what they do not want. They do not want foreign domination or intervention. They do not want regimes based upon denial of freedom and progress. They do not want to live in stagnant societies and slow-moving economies.

They also know certain things they do want. They want land reforms. They want industry. They want the thrill of freedom and they value the rights they have won. They are proud, even a little too sensitive, of their hard-won sovereignty. Echoing the words of a great Indian patriot, they say, "It is better to be poor and free than to be rich and in bondage."

These negative and positive desires make out the basic philosophy of Nasser's revolution. A revolution, unfortunately, must always begin negatively. It first destroys, then builds. But what it builds must be more massive, more meaningful than what it destroys.

Nasser destroyed the Egyptian monarchy and built the Egyptian Republic; he went a step further and brought about the union of Egypt and Syria. He destroyed the British hold on Egypt, and built a proudly sovereign nation which loathes nothing more than the slightest shade of foreign interference or domination.

Nasser has taken several things away. He has taken away the people's right to form political parties, to own property as they like. He has taken away the right of the newspapers to write whatever they like. He does not allow an opposition to function in the manner in which it functions in several countries.

But he has given to his people so far more than he has taken away from them. He has given land to the landless. He has given women of Egypt the right to vote, to get elected to Parliament, to take part freely in the multiflowing life of the country. He has built a network of heavy industry no Arab country could ever dream of 10 years ago—a steel plant, oil refineries, automobile factories, machine-building plants, a shipyard.

He has kept hunger away from Egypt and Syria; there has been no great shortage of food. Huge desert areas have been reclaimed, and even bigger projects are underway.

But the question that torments an observer is whether economic progress alone keeps a revolution from spending itself. Nasser, at least, does not appear to think it does. For the past 2 years or so, his deeply contemplative mind has been vigorously working on the meaning of his revolution.

Currently, he is engaged in finding a sufficiently radical, and yet not uncontrollable, political, and economic content for his revolutionary regime. Hence, his repeated emphasis on democracy, socialism, and cooperation—the three pillars on which he wants his regime to rest.

Nasser's socialism does not envisage a violent transformation of the economy; it gives the state a paternal role, seeks to create an expanding public sector, and to keep private enterprise under control and supervision. What distinguishes it from the socialism of other Afro-Asian countries is that it embraces land and agriculture.

Nasser's socialism goes hand in hand with cooperation; together, they constitute the revolution's economic philosophy which, in a nutshell, is that society must rest on the aggregate of common ideals, aspirations, and endeavors; its aim should be to hold together, not divide, the people.

Nasser's main problem is about the political meaning of the revolution. He wants to inform democracy with an oriental content and give it a structure that suits the oriental frame of mind.

He is working on a pyramidal structure, broad at the base: his task is to give the people a lasting feeling of freedom, to stimulate debate, encourage opposition, and still avoid the degeneration of party politics. A difficult task; it faces all the new nations of Asia and Africa.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. Before the Senator begins his speech, I should like to say that for 4 weeks the chairman of the Committee on Foreign Relations, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT] performed one of the most remarkable tasks as chairman of the committee that I have witnessed in several years service in both Houses of Congress. He was patient, he was fair, and he was considerate of the points of view of all Senators. I believe the bill has had the most thorough consideration that any bill on this subject has received by the Congress at any time. The distinguished chairman is now about to present one of the largest and most important bills to be considered at this session of Congress. I shall suggest the absence of a quorum.

Mr. MANSFIELD. Before the Senator makes his request, I should like to associate myself with the remarks made by the distinguished Senator from Tennessee. The chairman of the Committee on Foreign Relations has shown great patience, great wisdom, great understanding, and great tolerance. It was not easy to sit through those hearings. Every Senator had a right to express his views. Every Member had a right to offer any amendment he desired. Every Member was treated with the utmost courtesy. I wish to aline

myself with what the distinguished Senator from Tennessee has said about the outstanding work of a great chairman, the junior Senator from Arkansas [Mr. FULBRIGHT] in that respect.

Mr. FULBRIGHT. I thank both the Senator from Tennessee and the Senator from Montana for their very kind words. Of course, without cooperation we never could have gotten a reasonable bill out of the committee. Both the Senator from Tennessee and the Senator from Montana were constant in their attention and their attendance at the committee meeings, and they made a great contribution to the final form of the bill. I appreciate the kind words of the Senators.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG of Louisiana. I add my word of commendation with respect to the magnificent manner in which the chairman of the Committee on Foreign Relations conducted the hearings, and I note particularly the long hours of executive sessions. I believe there were about 64 hours of executive sessions alone, not counting the great number of hours devoted to the hearing of witnesses of the administration, starting with the Secretary of Defense, the Secretary of State, and going on down. The chairman of the committee showed infinite patience in handling the many conflicting views of Senators, including my own, of course, at the hearings. He showed us the utmost courtesy and consideration. I believe that while we cannot always agree on these subjects, we can agree, and the committee agrees, that the chairman did a most outstanding piece of work in handling the bill.

Mr. FULBRIGHT. I appreciate the kind remarks of the Senator from Louisiana.

Mr. GORE. 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. GORE. 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. FULBRIGHT. Mr. President, we take up this foreign-aid bill at a moment fraught with danger for the people of this Nation. We know this to be true. Members of the Senate last week recognized the danger when we unanimously approved legislation to strengthen our military defenses and as we did likewise today in voting for the defense appropriation bill.

It will be argued from this moment of crisis that the bill before us (S. 1983) should be approved without change; that the potential enemy will measure our firmness by our votes on this bill.

There are others who will argue that the tinderbox situation we face in Berlin requires reduced commitments to foreign aid. They will urge that the required strengthening of our defense forces compels a slash in aid.

I suggest, Mr. President, that those who take either of these extreme positions miss the point of foreign aid generally and miss the thrust of this bill in particular.

The aid programs embodied in the pending bill are not to be viewed as financial spigots to be turned off or on in response to specific foreign crises. These programs, despite their burdensome cost, must be viewed by the American people as an enduring price to pay in an effort to create a world in which the freedoms man has developed throughout the ages may not only be preserved, but strengthened and expanded.

Our perils will surely multiply if we destroy this bill; they will not cease if we pass it.

Foreign aid, now an established if not a venerable instrument of our foreign policy, is not a panacea for the ills that afflict the world. It is not a magic formula but a calculated risk—calculated to alleviate some at least of the unbridled forces of upheaval that threaten us. We have had enough experience with foreign assistance to know that it is not an instrument well conceived to win unswerving allies for the United States, or eternally grateful friends. Nor does our aid program guarantee stunning progress in the economic development of all recipient nations. The results have been impressive in many areas. In a few they have been very disappointing.

The program, nonetheless, is an imperative of our foreign relations. Where it is wisely conceived and skillfully executed, the probability of success is high. The compelling rationale of foreign aid is twofold. First, it purports to advance the security interests of the United States by helping to stabilize the emergent nations which in the decades ahead will almost certainly constitute the decisive weight in the world balance of power. Secondly, our aid aims to provide succor for the needy—the materially and spiritually deprived majority of mankind. There is a pulse of sympathy in our assistance, an instinct of compassion that, with few exceptions, has figured prominently in our foreign relations since the founding of the Republic.

A risk is as good as the calculations on which it is based. The calculations upon which this year's legislation is based have made it, in my judgment, the best foreign aid bill we have had. It represents a new departure, based on sound assessments of current trends and future prospects. Its thrust is toward a decade of development, coherently planned and efficiently implemented. This year's bill represents a worthy start toward a whole new concept of foreign aid—a concept based on long-range development rather than piecemeal projects, on progress toward self-sustaining growth rather than short-range relief, on multilateral assistance by all of the prosperous free nations, rather than unilateral American responsibility.

The bill before us is oriented to the realities of the 1960's. Its aim is to alleviate disruptions while hastening the processes by which traditional societies in Asia, Africa, and Latin America are struggling to achieve 20th century political and economic institutions. The bill before the Senate embodies a moderate shift of direction in a year of transition. In the words of the report of the Committee on Foreign Relations, "foreign aid represents the only means of alineing this country and its allies with the forces that are shaping the world that lies ahead."

While the requirements for a successful aid program in the 1960's are hardly comparable with those of the Marshall plan, the necessity for assistance to the underdeveloped countries is rooted in the same basic considerations that motivated the Marshall plan. Our objective is the same as it was when Senator Vandenberg reported the Economic Cooperation Act of 1948 with these words:

> This legislation, Mr. President, seeks peace and stability for free men in a free world. It seeks them by economic rather than by military means. It proposes to help our friends to help themselves in the pursuit of sound and successful liberty in the democratic pattern. The quest can mean as much to us as it does to them.

Little purpose would be served by a lengthy recitation of the detailed provisions of the bill and of the action taken by the committee. These are accomplished by the committee report. Instead, I wish to comment briefly on only the most significant provisions of the bill and then to turn to broader considerations.

The emphasis of the program is shifted to development loans repayable on manageable terms and conditions and in dollars rather than soft currencies.

The heart of the new legislation, its principal departure and its principal merit, is the provision for long-term financing of the development loan program, with authority for the Executive to borrow from the Treasury $1.187 million in fiscal year 1962 and up to $1.9 billion in each of the next 4 fiscal years. The unused portion of the maximum allowed for 1 fiscal year will become available for use in any subsequent year of the note-issuing period. Thus the full amount authorized for development loans over a 5-year period will be approximately $8.8 billion.

Much of the current discussion overlooks the fact that—in accordance with past congressional advice—the emphasis of the program will be shifted substantially from grants to loans, and the loans must be good risk ventures. Section 201(a) of the bill states that—

> Loans shall be made * * * only upon a finding of reasonable prospects of repayment.

The record of other lending programs since the war offers considerable reassurance, despite current allegations that loans are not repaid. As of December 31, 1960, foreign loans extended under mutual security and related legislation amounted to nearly $3 billion. There have been no defaults or delinquencies on these transactions. While there have been delays in payments on some loans extended by the Development Loan Fund, there have been no defaults.

All loans extended under the new authority must be repaid in dollars over

terms of up to 50 years and at low rates of interest or in some cases perhaps without interest. In the past a large proportion of so-called soft loans amounted in practice to grants, owing to the fact that local currencies used for repayment normally cannot be spent outside of the country of issue and the uses to which these currencies can be put are in many countries severely limited. The result has been steady accumulations of local currency balances by the United States, which have at times created difficulties and misunderstandings with host governments.

It is the conviction of the Committee on Foreign Relations, as stated in the report, "that the long-term borrowing authority sought by the President is the most important part of this legislation." It represents the very core of a sound foreign aid program for the 1960's. Its purpose is to help generate long-range productive capacity for countries which demonstrate a clear determination to take effective measures of self-help in response to the vital economic, political, and social needs of their people. The President is expressly directed to take account of these considerations before extending loans. The basic premise of the plan is that aid programs must be related to a country's growth process as expressed in a broad development plan.

The Treasury borrowing procedure is by no means unfamiliar to our Government. Many agencies and programs, beginning with Reconstruction Finance Corporation in 1932, have been financed, in whole or in part, by this method.

Congress, in authorizing the borrowing procedure, would not be surrendering legislative control.

This, I think, is the most important part, perhaps the core of the principal controversy concerning the proposed legislation. I draw particular attention to it.

As a result of the inclusion in the bill of a provision making applicable to the development lending program certain provisions of the Government Corporation Control Act, the exercise of the borrowing authority will be subject to annual review by the Appropriations Committees of both Houses and by Congress. The amounts to be borrowed by the aid agency must be included each year in the Federal budget. Section 104 of the Government Corporation Control Act contains an explicit provision to the effect that the use of funds may be limited if Congress so determines.

As applied to the development lending program the following procedure would prevail: The President would annually submit a declaration of obligations and expenditures for the lending program as a part of the budget. Congress would have the responsibility of reviewing the program. This review, in accordance with past practice, would take place in the first instance in the Appropriations Committees of both Houses. Congress could limit the use of funds according to its judgments. Limitations could be proposed by the Appropriations Committees or by amendment on the floor of either House, as is the case with other items. If in any year Congress should disapprove the budget program for that fiscal year, the development lending program could not enter into further obligations or make further expenditures.

While limitations on the development lending program can thus unquestionably be imposed, it is also clear that it was the intent of Congress, in enacting section 104 of the Government Corporation Control Act—as would be the case in the pending bill—that limitations on budget programs would be imposed only where there are affirmative reasons for doing so. Congress might thus be expected to impose limitations only for the purpose of assuring that the executive branch carries out the will of Congress with respect to the development lending provisions of the aid legislation.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. What is the difference between the procedure which the Senator from Arkansas now proposes and the procedure under which the existing Development Loan Fund operates? As I understand, the existing Development Loan Fund gets an appropriation of so much money, and the Bureau of the Budget allots the amount to be obligated for the current fiscal year. If under the new procedure, which is now being discussed, Congress still has the power to raise or lower the amount sought, I wonder what the difference is.

Mr. FULBRIGHT. I think it is a very importance difference. In a word—I shall try to develop it at length later—I believe the burden of taking the initiative to upset and change the policy as determined by Congress is shifted from the executive to the legislative branch. It is not, of course, an exact analogy, but we know how important in judicial proceedings is the meaning of the expression "shifting the burden of proof." Under this proposal, there is such a shift. Nevertheless, Congress can change it. We can pass a bill. But the next Congress can repeal it. Congress may act by a direct repealer or, in this case, under the Government Corporation Control Act, passed in 1945—made applicable to this bill—Congress can review administrative expenses as well as operating expenses. We can act just as we do with respect to such agencies as the former RFC or other corporate bodies.

No one would question the power of Congress to change its mind. I do not believe the Senator would say that if Congress passed a bill to authorize a 4-year program for borrowing, it could not next year consider a repealer of that act.

In the course of orderly procedure, the requests for budget approval of these agencies go to the Committees on Appropriations—normally they will go first to the House committee—and those committees may offer limitations upon the amounts requested. In my opinion, the Committees on Appropriations could say that for the next year—they could not make it retroactive, they could say that for the succeeding period, due to certain circumstances, they propose Congress take affirmative action to limit the amount to $1 billion, instead of the larger figure. Does the Senator disagree with that?

Mr. ELLENDER. I am trying to ascertain the difference between this new proposal and the present development loan program. The budget is presented to Congress by the President. Then Congress has the right to raise or lower it, through the authorization and appropriations processes. In this instance, what is being done—rather, not being done, but proposed to be done——

Mr. FULBRIGHT. It is all right to let the first statement stand.

Mr. ELLENDER. The present proposal contemplates a 5-year period, during which as much as $1,800 million a year may be obligated.

Mr. FULBRIGHT. One billion nine hundred million dollars.

Mr. ELLENDER. Under present operating procedure, when the President submits a budget estimate of $1,900 million for the Development Loan Fund, as the Senator knows, Congress has the right to allow the amount requested, or to lower the sum should it so desire.

Mr. FULBRIGHT. That is my belief.

Mr. ELLENDER. Then what is the difference between the two methods?

Mr. FULBRIGHT. There is a big difference, as I said. There is the burden of what I would call moving or initiating the change. Congress must take the initiative in reviewing the Development Loan budget plan. There must be affirmative reasons for any change in the plan, otherwise Congress will not be living up to its responsibilities. There is quite a difference, it seems to me, between whether the Executive takes the initiative to change the course of events or the Congress does.

Congress, I should say, would be operating under the presumption that its earlier decision should stand, and full amounts budgeted should be used. I would not for a moment leave the impression that I do not believe there is no difference. I think there is a very important difference. Once we did authorize a 2-year program. I shall comment on that a little later. It was only an authorization. The burden was then still upon the Administration to come to Congress and request the amount and justify it in the usual way.

The burden of responsibility under the type of procedure proposed in this bill—the borrowing procedure—is usually greater upon Congress to refuse to accept the budget as presented.

I do not wish to say there is no difference. I simply say that despite the shifted burden, the power still remains in Congress to rescind its action altogether, if it wishes to, even if there were no Government Corporation Control Act. Congress has the power to do this. Morally, it may be indefensible; or politically, unacceptable, but the power remains in Congress to change its mind and rescind the entire action.

The only point is that we are seeking to give assurance not only to our own administrators that they will have something on which to plan, but especially assurance to whomever they are dealing with that this proposal will not be a

flash in the pan or something on which they cannot rely.

Under existing annual appropriation procedures, the whole tendency is to say, "We can't undertake any worthwhile, long-term, firm project. All we can do is undertake something that can be finished in the next few months."

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Arkansas yield to the Senator from Vermont?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. In response to the question asked by the Senator from Louisiana, I would say that the practical advantage of the new plan supported by the Senator from Arkansas is that for the next 5 years Congress would have a right to look into the stall where the horse used to be.

Mr. FULBRIGHT. I do not agree with that, at all. The horse is still in the stall; and the question is whether Congress wishes to take the drastic action of cutting his throat.

In my opinion there is a real difference, because the power of Congress to do nothing is very great. We know that under our procedure and traditions, one Member has the power to hold up the Senate for a very long time. So in the Congress there is a great power of resistance to action.

This plan would shift the burden, so that Congress must take the initiative if it is to upset a well-considered—I hope it is—program that would extend over a period of years. I believe this is a very important difference. But I think it quite in error to say that Congress would give up its power to control this program. That would not be the case.

Mr. ELLENDER. I understand what the Senator has in mind.

Mr. AIKEN. Let me say that I shall go into the details later on.

Mr. ELLENDER. Yes, I understand. But my question was directed to the Senator from Arkansas, in light of the law to which he referred. It strikes me that if the amount requested by the President for the Development Loan Fund for the next 5 years may be increased or decreased, following authorization, by Congress. I see no difference.

Mr. FULBRIGHT. If the Senator from Louisiana thinks there is no difference, then, for goodness sake, I hope he will vote for the committee bill. If the Senator from Louisiana thinks the new arrangement would be the same as the old one, we welcome his support.

Mr. ELLENDER. If there is no difference then I would rather continue under the present system.

Mr. FULBRIGHT. But if the Senator from Louisiana sees no difference, why does he not vote for this, in order to show his agreeable nature?

Mr. ELLENDER. In light of what the Senator from Arkansas has said about the new procedure, how could the administrator of the Fund proceed to bind the Congress for 5 years hence?

Mr. FULBRIGHT. He could not bind the Congress irrevocably. But as a practical matter—let me say that I do not like to use the word "moral" in connection with these matters; there is no morality about them—as a practical, political matter, under this plan the administrator will have far greater assurance that the funds will be forthcoming, as compared with the situation under the present arrangement. The Senator from Louisiana knows as well as I do the power of resistance inherent in this body, as a practical matter.

This plan transfers from the Administration to the Congress the burden of initiating a change in the accepted policy.

Mr. GORE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. Is it not true that on an annual basis alone, the administrator of the program, as well as the countries with which the administrator would be developing programs of betterment and actions for improvement, could only assume that Congress in the following year would authorize and approve the program, whereas under the pending bill there is a 5-year authorization which, as the chairman of the committee has said, would not be irretrievable or irrevocable. It would remain in the power of Congress to repeal the act or to limit the expenditures or to withdraw the power and the authorization. But the assumption would remain that unless the program came afoul of mistakes which would bring about very unfavorable reaction in the country and in the Congress, the 5-year authorization could be contemplated and could be depended upon, in other words, by the administrator and by the beneficiary countries.

Mr. FULBRIGHT. I think that is quite correct.

Mr. SYMINGTON. Mr. President, will the distinguished Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. Mr. President, the people of the United States have always prided themselves on their ability to organize and manage successfully, especially in the fields of industry and finance. Does not the able Senator from Arkansas believe that the Government should be allowed the same type and character of efficient, long-range planning in the handling of this loan program that is essential for the proper conduct of any industrial corporation or financial institution in the United States?

Mr. FULBRIGHT. I certainly do. I think the procedure we have followed makes it almost inevitable that the program will be wasteful and inefficiently administered. I know of no business which follows any such procedure.

Mr. SYMINGTON. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. Is it not true that many, if not most, of the critics of this program emphasize, in reaching their conclusions, the fact that the program has at times been mismanaged and at times has had in its operation a great deal of waste? But, despite that fact, these critics are unwilling—even recognizing the added problems incident to good management because of the absence of the profit motive—to let the program have that same type and character of managerial capacity they would insist upon in a corporation in which they were investors.

Mr. FULBRIGHT. I think that is entirely the case. It seems to me that those who disapprove of foreign aid and intend to vote against the bill—although recognizing the possibility that they may not prevail and that aid will, nevertheless, be provided—should vote for this long-term borrowing authority simply because, if there is to be such a program, they should want it put on a reasonably businesslike basis.

Of course, I realize there are many persons who believe we should never have entered this field, and that it is a mistake; and I realize that certain Members always have opposed foreign economic aid programs. Certainly it is their right to oppose them if they wish. But even such persons should not insist that the programs be inefficiently and improvidently administered, as tends to be the case when the administrators cannot plan ahead.

So I think that even they should agree with the purpose of the borrowing authority; they should agree that if there is to be such a program it should be conducted in an efficient manner.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. As the Senator knows, Congress provided for a 2-year program in the present Development Loan Fund.

Mr. FULBRIGHT. It was an authorization, was it not?

Mr. ELLENDER. Yes, and the funds were subsequently made available by appropriations. Is it not a fact that under this method the Congress was irrevocably committed and the administrator of the fund could then obligate these funds up to the amounts appropriated? Furthermore the funds were appropriated on a no-year basis, since the funds were made available until expended, and the administrator had all the time needed to plan his loan commitments in an efficient manner.

Mr. FULBRIGHT. I fail to follow the Senator's question.

Mr. ELLENDER. Well, when the Senator speaks of a loan, he means that it is on a long-term basis; does he not?

Mr. FULBRIGHT. Yes.

Mr. ELLENDER. Is it not a fact that under the 2-year authorization program, which the Senator will remember was voted by the Congress for the Development Loan Fund—the money appropriated under the authorizations was made available by the Appropriations Committee until expended and the administrator had the power to enter into long-term loans for whatever period was deemed necessary?

Mr. FULBRIGHT. I think the Senator from Louisiana is correct, with the exception that following that 2-year authorization for $1,800 million, as I recall, the actual appropriation was $650 million less than the authorization.

That sort of thing is to be expected under the present procedure. Therefore, the administrator cannot reasonably plan to loan, during the second year, any known amount.

After the first year's appropriation—which, as I recall, was $550 million—he could not reasonably count on any particular amount for the next year, because under the procedures and practices of the Congress he had no idea what he would get.

He did know he would not get anything close to what was authorized. I think it would be different under this proposal.

Mr. ELLENDER. Since the Senator admits that the program would have to be resubmitted to the Congress from year to year to get the appropriation——

Mr. FULBRIGHT. I do not admit it; I assert it. I did not state that I admit it. I stated it.

Mr. ELLENDER. I know.

Mr. FULBRIGHT. There is a difference between admitting and asserting. The Senator is not forcing me to reveal this. I said clearly it was that way.

Mr. ELLENDER. The moment the Congress passes the appropriation bill, it is then up to the administrator to make that money available to such countries as are qualified to receive loans. For the life of me, I cannot see any difference between the two procedures.

Mr. FULBRIGHT. All I can say is, if the Senator does not see a difference, I hope he will do the committee the courtesy of accepting its recommendation. I personally think there is a difference, and a very important one. I think the administrator, under the bill, would feel justified in making commitments over a longer period of time, and entering into, for example, the type of project we recently entered into, under different authority, namely, the Indus River Basin, going over a number of years.

It is true the commitment beyond the first year is a conditional one, but it is upon a reasonable condition, and it is a commitment on which reasonable men would rely. The Senator knows, and we all know, that if something drastic happened, Congress could, or would, repeal or rescind the borrowing authority. If war broke out, this program would undoubtedly come to an end, and undoubtedly we would not proceed in the second year. Congress would rescind it. Or, if some terrible scandal or change in conditions, that I cannot foresee, should take place, Congress would also rescind or repeal the authority. But reasonable men could rely on such an authorization to borrow.

This is true not merely as a technical matter, but we have had the experience in which Congress has controlled this kind of authority. Congress has exercised this kind of authority for many years, at least 30 years, if not longer; and the practice in these cases has been, where the Congress has solemnly and deliberately authorized borrowing authority, as is provided here, that we do not interfere with the authority except in unusual cases. In the case of the Commodity Credit Corporation, the RFC, the farm credit programs, and so on—about 20 different ones—Congress has not substantially interfered with the authority conferred.

The budget programs have been submitted, and, almost without exception, the Congress has accepted them. This does not mean that Congress does not have the power at any time to change them, but reasonable men would interpret, from the course of events, the practice of borrowing, that an administrator of programs of this kind could make commitments over the period authorized with reasonable assurance that they would be carried out. It would be conditional, technically; and if we changed it it would not be a breach of a legal commitment; it would be what we call a moral commitment. It would be up to Congress to decide whether it wished to do anything about honoring it.

But there is a difference, in my opinion, and in the committee's opinion, and in the Administration's opinion. Nobody is trying to fool anyone. I certainly would not want to say that we should accept the proposal because there is no difference. I would be deceiving the Senate. I do not want to leave the impression that there is not a substantial difference. But, on the other hand, to take the extreme view of the author of the pending amendment, the argument is going to be made here by the sponsors and the supporters of the amendment that Congress is giving up all its powers to control the future course of this program; that no longer will Congress be able to review it or have any influence on it. That is wrong, and it is not true. Congress will have the power to control, stop, or limit it.

Supporters of the amendment of the senior Senator from Virginia [Mr. BYRD] are not going to make the argument of the Senator from Louisiana that there is no difference, that the borrowing authority is just the same as an authorization. I guarantee they are not going to say that. They are going to say borrowing authority is a horrible, dreadful thing, because Congress is being asked to give up its whole power to control the program and its future course. But I say, this is not the case.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. As a predicate for my two questions, I want to say that I agree with the Senator from Arkansas in his premise that the two programs are different. There is no way to make them the same. But I disagree with him in his statement that Congress will continue to have control except conditionally. For instance, I ask the distinguished Senator if it is not true that, failing a two-thirds majority in both Houses, enough to override a Presidential veto, Congress would not have authority to call off the program if the President felt and ruled otherwise.

Mr. FULBRIGHT. It is no different from any other bill. We have not the power to pass any bill unless we can muster a two-thirds vote in favor of it to override a veto if the President wishes to veto it. No item veto is authorized of appropriation bills. The approval of the Development Loan budget would be only a small part of an appropriation bill. I want to emphasize also that this item for borrowing is only a part of the overall program of aid in the pending bill. For instance, there is $4,300 million in this bill, of which only $1,187 million is affected by this authority. So this is only a relatively small part of the overall program. When the time comes to act on this year's and next year's aid appropriations, the President would be in a position of having to veto the whole bill. He could not pick out just this item and veto it. He would have to veto the whole bill—a very serious responsibility—and if the Congress changed the portion dealing with the Development Loan budget, I would say any President would take a very long time before he would exercise a veto of the entire bill.

I agree with the statement of the Senator. It is true of this bill as it is of any other piece of legislation—that Congress has no power to pass any bill, if the President vetoes it, unless it can muster a two-thirds vote to overrule the veto.

Mr. HOLLAND. In this case, without being able to muster a two-thirds vote in both Houses, Congress would not have the authority, by its own act, to call off this part of the program. Is that not correct?

Mr. FULBRIGHT. I would say that is correct. But the same is true of any other legislative act taken by Congress. I have often regretted that in these matters where we make serious and solemn commitments on important matters, we do not require more than a bare majority to carry it into effect. But that is true in the current status of the Senate rules. We have done so in the past. I have always regretted that we have moved toward a bare majority move, because I think if we make these commitments, if we are serious about the programs, they ought not to be changed for trivial reasons. It ought to take a two-thirds vote. And if it is so serious as is contemplated, or suggested, perhaps, by the line of questions, that it would require an overriding of the President's program, I have no doubt that Congress would do it. I do not see that there is any difference, on that basis, from any other act we pass.

Mr. HOLLAND. I differ with the distinguished Senator, because the other acts we pass, as a rule, deal with annual authorizations, and, as a rule, with annual appropriations; and this portion of the act, which involves an authorization for a period of years, is decidedly different from the normal action of Congress.

Mr. FULBRIGHT. May I say, in that connection, if this stood alone, unaccompanied by anything else, I think the Senator would have a pretty good point. I do not think it is a very valid point when it is only a part of the program, involving $1.8 billion in military aid and nearly $1 billion of other types of aid.

Does the Senator think any President is going to risk the stoppage of the whole program because of a single element with regard to borrowing authority? I do not think that is reasonable, and I do not think he would, and I do not think this or any other President would veto a bill

containing an element such as this, and run the risk, or the certainty, for that matter, of having no bill at all in the field of military assistance, supporting assistance, and all the other items of this bill.

I do not think it is a reasonable assumption that the President would do such a thing. If the Congress puts a limitation on this, he would accept it, rather than to veto the entire bill. If such a provision stood alone, and with all that was in the bill, I think the Senator from Florida would have a very good point.

Mr. GORE. Mr. President, will the Senator yield, before leaving that point?

Mr. FULBRIGHT. I yield.

Mr. GORE. It is true, as the distinguished senior Senator from Florida says, that we usually appropriate on an annual basis. However, there is a procedure for a continuing appropriation, for the appropriation of funds to remain available until expended. Would it not be impossible for the Congress to rescind such an appropriation except by mustering a two-thirds majority, if the President should choose to veto?

Mr. FULBRIGHT. Yes.

Mr. GORE. The point I am making is that there is a distinction involved. The Administration under the proposal could proceed with assurance that with prudent administration the program would continue on a long-term basis. However, it would remain within the power of the Congress not only to limit the program but also to entirely repeal the authorization.

Mr. FULBRIGHT. The Senator is quite correct.

Mr. GORE. The legislation to authorize borrowing from the Treasury is, in fact, a continuing appropriation; that is what it amounts to.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield to the Senator from Florida.

Mr. HOLLAND. Both the distinguished Senator from Arkansas and the distinguished Senator from Tennessee have suggested something which I think is fundamental to the whole discussion; that is, that there has been an administration of this fund in the past which causes us all concern. The Senator has spoken of mistakes in administration. The Senator from Tennessee did not use those same words, but he implied them in his use of the term "good administration" of the Fund.

I think both Senators know perfectly well that there is tremendous opposition to this program, based largely on the fact that so many mistakes of judgment have been made, and some mistakes which probably went further than mistakes of judgment, in the administration of the foreign-aid program.

I am asking the Senator from Arkansas if he does not think that one of the ways—and a very certain way—to overcome some of the opposition and some of the reluctance on the part of the general public to accept passage of the bill would be to assure the annual revision of the program by the Congress and the annual control over it, by retaining the appropriations function from year to year.

Mr. FULBRIGHT. I make two observations in that connection. One is that during this period in which many people have been very critical Congress has had exactly that authority. Congress has done exactly what the Senator has said. Therefore, I think a reasonable man would say that perhaps some different approach might be called for.

Mr. HOLLAND. Does the Senator mean it might be more wasteful?

Mr. FULBRIGHT. No. Well, that is not our objective. I assure the Senator it is not my objective to make this program more wasteful than it is.

Mr HOLLAND. I know that.

Mr. FULBRIGHT. Nor is that the objective of the committee.

Mr. HOLLAND. I interpolate to say that I know perfectly well the motives of the Senator from Arkansas are very fine and very high. I remind the Senator that from year to year, as he has led the fight or aided in the leading of the fight, much more often than not the Senator from Florida has voted with him, both with respect to amendments and with respect to passage of the bill. The Senator from Florida is not among those to whom the Senator referred when he said they would be against the loan approach because they are against the bill and its purpose. I am not among that group.

I feel that, after all, we are representatives of the public, and we cannot ignore the public thinking, which is that there has been too much looseness and there have been too many mistakes in this field and that some degree of reassurance should be given. I think a reasonable degree of reassurance would be given by knowledge of the fact that the Congress will not surrender its appropriation right, will continue its revision right from year to year throughout the period of this program. I am asking the Senator if he does not think that there is public sentiment adverse to this program. I believe the Senator knows there is a good bloc of such public sentiment.

Mr. FULBRIGHT. I assure the Senator that I know it. I think I receive more letters than any other Senator complaining about the program.

Mr. HOLLAND. Does not the Senator think that attitude has to be considered, and that one way to attempt to meet the attitude is to let the public know we do not intend to surrender all vestige of our control during the period of the operation of the Loan Fund?

Mr. FULBRIGHT. In my feeble way I have been trying to say that this program does not surrender the power of the Congress. I do not believe it surrenders the power of Congress to supervise, to revise, and to limit the program, if Congress sees fit to to so.

I go further to say, with respect to the first part of the Senator's statement, I know that anyone can question the judgment of someone else. The committee considered this problem even before I became chairman of the committee. This is the second or third time the Committee on Foreign Relations, deliberately, after long consideration, has decided that this kind of authority would promote efficiency of administration, rather than the opposite. It would not take away, on the one hand, the congressional power of revision, but it would give to the Administration an assurance it could make longer term plans for the development of any particular country. What it will amount to is that an administrator will be able to say to a prospective borrower, "In 3 years"—to use that as an example—"I am reasonably sure I can follow through." Of course, the first year would be easy. He could say, "We can make plans for pursuing a certain development 3 or 4 or 5 years."

The administrator would have to make it clear that the program could be and would be subject to cancellation by the Congress, but it would be subject only to affirmative action by the Congress, and the burden of changing it would be upon the Congress.

I have already covered the point, and I do not wish to repeat myself, but as a practical matter, from our knowledge of the Congress, our actual practice under such authority has been that Congress has been very loath and reluctant to change, although it has the power to change.

I wish to emphasize that there has grown up a slogan of "back-door financing." I think one of the worst habits of our whole public life is the adoption of all kinds of slogans, such as "soft on communism" or "back-door financing" and so on, in an effort to simplify some very complicated concepts.

This so-called "back-door financing," which I think is an utterly inappropriate term to apply, does not mean what it is sought to convey in meaning to the public; that is, that the Congress no longer has the power to control, to change, or to limit the program. The authorization does not provide that. It would change the burden of taking the affirmative action from the administration to the Congress.

This is important. We know it is important in a great body with 437 Members in the House of Representatives and 100 in the Senate. We know it is a tremendous burden to move anything through this body, whether it be on the part of the administration or on the part of those who seek to upset it. It is a very arduous thing to get anything through the two bodies of Congress. These things are very carefully examined. Time is required. A small, determined group can do a lot to prevent something from passing. We know all those things.

I do not wish to minimize the importance of this. I cannot go along with the Senator from Louisiana when he says, "This is all the same; therefore, why do you want it?"

I think there is a very important difference. I disagree that the Congress will be giving up the power to carefully examine the program and to limit it, as is true under the present system. Congress will look at the budget estimates just as carefully. The business-type budget will have to be presented to the committees.

The committee cannot merely say, "We do not like it," and do nothing. If the committee wishes to make a change, it must say that, "For such-and-such reasons" which I assume must be reasonable or affirmative reasons—"we are going to take affirmative action." The only limitation, as the Senator has said, is that there would remain the power of veto. But I submit that since this question is only a part of the program that will be presented, as in the past, it is a part of the overall program, and it would be an extremely serious thing if the President would ever veto such a bill.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. I have great respect for the Senator. I know he is devoted to this cause.

Mr. FULBRIGHT. I am not devoted to "this cause" in the sense that the bill is my bill. It does not mean any more to my State than to any other State. But I rather dislike always having the bill called "the Fulbright bill." There is no such thing. I handle the bill only because I am chairman of the committee. I think the bill is in the national interest, and I do not want to take all the responsibility for the bill.

Mr. HOLLAND. I revise my statement by saying that I believe the Senator has one of the most difficult positions of leadership in the Senate. He has fulfilled his responsibility well, and I am sure he is doing a fine piece of work on this measure.

If I thought the Senator was correct in the conclusion which he stated, I would be asking the Senate to change our practice with reference to domestic improvements of the greatest importance. I am perfectly willing to come here one year and ask for funds for advance planning to improve an important river or for a navigation project, and the next year to ask for a slice of the structural or construction appropriation. Following that, year after year, I would make my request. I think that is the sound way to approach the matter. Certainly we have not even considered appropriating in advance to cover advance planning and each year's construction right through to the end, because Congress has insisted upon keeping jurisdiction of those questions and reviewing progress, and considering the kind of future action which is proposed in each of the reports. If I felt the Senator was correct in his position, I would feel that the program should be extended to important projects in our own country, to which we have never even considered extending the principle.

I believe that much of the value of the supervision of Congress, which is our duty, would be lost if we did not retain with that supervision the power to control appropriations from year to year. That is our policy and our principle in connection with domestic projects of the very greatest importance, not only to local communities, but to the whole Nation.

I feel that the Senator is not sound in his conclusion that his proposal should apply to very important commitments of foreign aid funds by our Nation, but that the principle should not be applied on the domestic scene.

Mr. FULBRIGHT. I hope that I have the attention of the Senator from Florida, because he has raised a very important question.

First, I note that the operation would be a lending operation and not an expenditure upon a development. In the bill are items such as supporting assistance, technical assistance, and so on, which are comparable, I think, to a program of development internally. We are not asking borrowing authority for those items. I emphasize that we are asking for appropriations for the operating part of these projects as we do for domestic operations. But for dollar loan purposes we ask for borrowing authority just as we do for similar domestic programs. Since some forget this point, I want to read into the RECORD quickly a list of agencies dealing with domestic operations, with respect to which this identical procedure for financing has been followed:

Reconstruction Finance Corporation.
Commodity Credit Corporation.
Defense Production Act of 1950.
Export-Import Bank of Washington.
Federal Deposit Insurance Corporation.
Farmers Home Administration.
St. Lawrence Seaway Development Corporation.
Federal home loan banks.
Federal National Mortgage Association.
Housing and Home Finance Administration.
Federal Savings and Loan Insurance Fund.
Rural Electrification Administration.
Federal Ship Mortgage Insurance Fund.
Federal Civil Defense Act of 1950.
Small Business Administration.
Informational Media Guaranty Fund.
Veterans direct loan program.
Investment guaranty program.
Panama Canal.
Virgin Islands Corporation.
District of Columbia.
Helium Act, as amended.
Area Redevelopment Act of 1961.
Tennessee Valley Authority.

These were all important domestic concerns. The Senator from Florida was not here when all those programs were submitted, but I have no doubt that the Senator has voted for many of them, in which he has done what he said he did not think his constituents would want. The Senator said that we had given up authority to review and to limit these activities. I can only say that the Senator is in error. We did not give up the authority to limit them. We used borrowing authority, for the very good reason of providing some continuity of operation, and of giving the Administrator some opportunity to lay down plans in order to develop programs. Of course in those operations there may have been some defects here and there. Nevertheless, all, or certainly a great majority of those operations, were great projects that meant a great deal to this country.

I know that the ones with which I am familiar were helpful to my own State and I believe to the national welfare. But I think that the reasoning of the Senator from Florida is not sound in that sense. I make that statement with all due deference. The program about which he is talking is not the kind of program that would provide grants for development. It is a lending program, similar to many of the other programs I have mentioned, and designed for the same reasons. It is proposed to provide some continuity for operations in foreign fields.

The Senator made the comment that we are dealing with foreign countries, as opposed to operations in the domestic field. In our long exercise of congressional procedure in the United States, we have developed great confidence among ourselves and our own people. All the projects of a domestic nature which the Senator has mentioned had supporters within the Congress and without the Congress, including constituents, lobbyists, and others. So there is a feeling of assurance and confidence on the part of the people in my State, for example. They feel assured when Congress says, "We authorize a program on the White River." Finally the first downpayment is made, and the people feel an assurance that they can trust the Congress, because the Senator from Arkansas [Mr. MCCLELLAN], a prominent and influential Senator, and a number of prominent Members of the House are watching their interests. They can proceed with assurance.

None of this assurance is present in a foreign country. In most cases we are dealing with people who know very little about us, and there is no reason for them to have the same feeling about an administrator who says, "I think perhaps we might be able to get more money."

He can always point to what the experience has been in the past. There has been no continuity. I think this point enters into one's judgment as to whether or not the contemplated approach is a reasonable way to proceed, and whether the program is an efficient one.

Mr. HOLLAND. Mr. President, I have one more comment. I am very appreciative of the courtesy of the Senator. I remind him again that he is not talking to one who has not voted with him on these programs, and he is not talking to one who does not expect to vote for some substantial program this time.

I invite the attention of the Senator to the fact that we have proceeded by back-door financing in several domestic fields to a greater extent than I would have liked. While we have had a good deal of grief from some of the projects, we have not done so in financing other projects that are exactly alike. With respect to many projects, we will be asked to make loans out of this fund. I refer to such projects as the development of flood control projects, the development of navigational projects, the development of power projects, and the development of highway projects. The Senator will remember that we are now in the midst of a very important and expensive highway system construction program. Only a few days ago we passed—and I note the President has signed—a measure that was prepared by a subcommittee over which I happen to preside, which appropriated for expenditure this year approximately $3 billion for the Federal part of the Interstate Highway System. The Senator from Louisiana

has been working for months as few Senators have worked in trying to bring out a sound public works appropriation bill which is based upon the idea that the projects which may be approved for their progress and for their promise for the future and for their soundness from year to year will get into that bill and that the others will not.

We have not been willing to apply to matters of the greatest importance to us and to our people the principle which the Senator from Arkansas advances with reference to the loan fund in the pending bill. I do not believe any Senator would have any serious thought of doing such a thing.

Mr. FULBRIGHT. The Senator completely ignores the distinction I tried to make, that all of these important activities that he has mentioned are not insignificant. The Tennessee Valley Authority, rural electrification, small business—I shall not name them all—are all lending operations. That administrator, in a lending operation does not know in advance who the borrower will be or what the loan will be. He cannot schedule an imagined program. When we gave authority to the RFC to borrow, they did not come in and lay out the program. It is impossible to do so. That is why there is a difference in the method of financing. Other portions of the aid program are comparable to the program the Senator mentions. We do not ask for borrowing authority in those cases. But in the case of loans, the administrator cannot come in and program them in advance. This is utterly different.

This is one of the inconsistencies which has resulted, in my opinion, in contributing to much of the inefficiency and ineffectiveness of the program as it exists. Congress has insisted upon requiring for one kind of operation a procedure which is appropriate to another kind of operation and quite inappropriate to this kind of operation. This is basic to this program. I do not believe that the Senator, whatever he may finally agree on, ought to compare this with our domestic road program. He ought to compare the road program with the grant portions of the aid program. We are not asking for borrowing on the grant parts of the program.

Mr. HOLLAND. The Senator has been extremely gracious. I would remind the Senator, however, that in the field of development of hydroelectric dams for public power, which is certainly a controversial field domestically, we have not even sought to proceed other than on the basis of annual appropriation.

Mr. FULBRIGHT. What about TVA?

Mr. HOLLAND. In connection with TVA we got away from any further Federal appropriations for development by finally giving to the TVA itself—very unwisely, I thought—the authority to borrow.

The second point I make today is that in our Constitution itself there is a provision giving Congress power, "To raise and support armies" with the proviso that appropriations for such purpose cannot be made "for a longer term than 2 years."

We have a settled responsibility here to try to keep control of the important operations of this Government. Recognizing fully the good intentions of the distinguished Senator from Arkansas and his committee, and having the greatest confidence in most of the things his committee recommends, as the RECORD will show, I nevertheless do not feel that when we are doing this important job for the rest of the world we can afford to follow a principle which we refuse to apply to much of our most important work here.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Missouri.

Mr. SYMINGTON. I congratulate the able Senator from Arkansas for his logic in the matter under discussion which in effect states the principle: Shall we give the same type and character of good business management to taxpayer money we demand in a corporation, or shall we not? The Senator from Florida mentioned what the Constitution states about the Army. Over the years, as other services came into being, it was found this clause in article I, section 8 of the Constitution was, from a practical standpoint, unworkable; and therefore methods for circumventing it were established as procedure in the operation of our defenses.

I remember one of the so-called back-door financing undertakings. It had to do with the Reconstruction Finance Corporation, originated at the time of our most serious domestic economic trouble—the depression of the early thirties.

The Reconstruction Finance Corporation was originated by Mr. Herbert Hoover. This back-door financing agency saved a large bank in Chicago, with a loan of some $90 million. Then it began to save railroads, under long-term agreements. Their work would have been impossible unless it had embraced long-term financing.

It was my privilege at one time to direct the policies of the Reconstruction Finance Corporation and its relationship to industries and banks. It would have been impossible to run those projects under sound accounting principles, with good business management, unless there had been some of this back-door financing.

I would think it important to maintain now, on an international basis, the same type and character of procedure we maintained when we were in serious domestic difficulty.

There are countries we are anxious to see remain free and grow; and it would seem necessary to place ourselves in a position where we can say to them, "If you will agree on certain terms as to the nature of your progress, we in turn will agree, over a period of time, to give you the following financial assistance in the form of a loan."

If we offered a loan on the basis of "Well, we will do it this year, but cannot let you know at this time whether we can commit ourselves for next year," there would be difficulties, based on what I have seen in foreign countries, places where we offered no assistance until it was too late.

Now as far as the law is concerned, and the assertion this proposal is in any sense unique, I would present, if I may, to the Senate and the able chairman of the committee a law "Limitation on Administrative and Nonadministrative Expenses, Federal Housing Administration," contained in Public Law 86-626, July 20, 1960. This is a Government corporation subject to the Corporation Control Act, and there follows what that particular law provides:

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION

For administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed $8,550,000 of the various funds of the Federal Housing Administration shall be available, in accordance with the National Housing Act, as amended (12 U.S.C. 1701), including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131): *Provided*, That funds shall be available for contract actuarial services (not to exceed $1,500): *Provided further*, That nonadministrative expenses of all kinds regardless of source classified by section 2 of Public Law 387, approved October 25, 1949, including all appraisal fees regardless of source or method of financing shall not exceed $50,000,000.

In other words, here is a clear and current case of so-called back-door financing, written into law on a domestic program. This program is important, but surely from the standpoint of the security of our country not as important as the program which the distinguished chairman is now presenting in his typically able fashion to the Senate.

I thank the Senator from Arkansas.

Mr. FULBRIGHT. I thank the Senator from Missouri for his observation. He is, of course, quite correct. It seems unfortunate to me that those who have opposed the program and criticized it most vigorously insist that we not permit any improvements to be made. If they do not like this way of improving it, I should like to have some suggestions as to how they think the program can operate more efficiently. I do not see how operation on a hand-to-mouth basis can be justified without any chance of improved administration.

Mr. GORE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. I wish to suggest one additional thought for the benefit of the distinguished senior Senator from Florida.

Mr. HOLLAND. I appreciate any suggestion made for my benefit. I shall listen very carefully to it.

Mr. GORE. I mean that in the proper light, because I know the able Senator from Florida is interested in the international security programs. He has been a supporter of them, and in this case I feel certain he wishes to have the fullest possible measure of understanding.

I suggest that we are undertaking to induce other countries to make reforms within their own domestic economies—tax reforms, monetary reforms, and the

like; and to institute within their societies changes which will promote the development of the democratic processes, which will promote beneficial economic policies, policies beneficial to the broad mass of the people.

These changes are resisted and will be resisted; but in the considered opinion of the Committee on Foreign Relations and many other students of international affairs, certain changes, particularly in countries in Latin America, are necessary in order to avert revolutions and possible overthrows of governments.

This is a program, in essence, to help underdeveloped countries to help themselves. The power of inducement is multiplied by the capacity of the administrators of the program and the President to proceed on a longer term basis than annual appropriations provide. I simply wished to offer that additional thought. It is one additional reason for the necessity of the longer term authorization, which does not prevail to the same extent with respect to an irrigation project or a hydroelectric dam project within our own country.

Mr. FULBRIGHT. Mr. President, I express my appreciation to the Senator from Tennessee. What he has just said is significant. When these programs were started in the Marshall plan era, we were dealing with highly developed, sophisticated countries, in which there was no need to consider so-called changes of conditions. Those countries already had very advanced, prosperous civilizations, but they had been destroyed to a great extent by the war. That was a different thing.

In dealing with the underdeveloped countries, we have found by experience that very drastic changes are called for in many areas, as has been set forth in the Act of Bogotá. In those areas, unless we can prevail upon those countries to make serious changes—and many of them wish to make such changes—the program will not succeed. The comment by the Senator from Tennessee is extremely important in justification of the change. This is the only way the committee could think of to be able to go to a country and propose that it undertake long-range changes. The countries will not undertake changes except in a long-term form. No country can be expected to change its ways suddenly. If we request that they make changes, it is necessary to have more assurance than there is under the annual authorization process that we will continue our participation in whatever project is undertaken.

If the Senator from Florida refuses to give that kind of authority to the Executive, and if he is not satisfied with the present authority, I should like to know what he would suggest to improve the administration's program.

Mr. HOLLAND. Mr. President, let me address myself first to the comment made by the distinguished Senator from Tennessee. I remind him that the Senator from Florida has not been unwilling at all, but has joined in establishing certain lending operations or in helping to establish them. The Latin American Bank, which is a major enterprise, in which the United States is contributing a large part of the capital, is one example. The capital can be loaned to a bank, and the bank, if it is sound, can borrow from others. That is an enterprise the Senator from Florida has supported.

The Senator from Florida has supported the World Bank. He has supported the creation of the International Development Fund. All those activities are based on the lending of money which Congress has appropriated.

Here it is proposed to allow a lending agency to draft upon regular resources in the Treasury for a long period of time, without mutuality, and placing our participation in the funding of such money operations on a preferred basis, so far as the appropriation is concerned, above the funding of the same kind of operations in our own country.

I notice that the Senator from Arkansas mentions the REA as one of the agencies which was empowered to do back-door borrowing. There is a certain amount of truth in what he says. However, the fact is that the REA is limited in what it can lend, by the action of Congress upon the report of the agricultural appropriation bills each year, as to what it can get from the Treasury and can then lend to the REA and the Rural Telephone Association. Incidentally, they take security for repayment. However, my point is that it is not open-ended authority to draft upon Uncle Sam's dollars in the Treasury at will, but instead is limited by annual appropriations. To that degree, the REA does not come at all within the area of the unlimited back-door borrowing which, for instance, the Reconstruction Finance Corporation had, an agency which was set up in the depression years as a depression measure. The Senate will remember that when the depression years were over, there was an immediate effort to close out the RFC, and that effort, in which Congress joined, was eventually successful. I suspect that Senators who are now participating in this debate voted for the discontinuance of the RFC, which had that special type of power, when it was clear that there was no emergency need for that power to be further given.

Mr. FULBRIGHT. I wish to correct the Senator. I did not vote to abolish the RFC. I think its abolishment was a mistake. I think experience has shown that its abolishment was a mistake. It was necessary for Congress to turn right around and create the Small Business Administration, which now has the authority which the RFC had. That agency is in existence today, but I know of no one who is seeking to abolish it.

What happened in the case of the RFC was that in an effort to improve the administration of that agency, a misconception arose that it was a bad agency. Those who had always opposed any kind of Government activity in this field took advantage of the misconception and succeeded in having the agency abolished.

The RFC was a very good agency. On final liquidation, it showed a net profit of more than $300 million. Congress often makes mistakes, but I do not like to be reminded of them. The abolishment of the RFC was one of its mistakes. The RFC was a going concern. It had a mass of experience with which to work. The Small Business Administration is a worthy successor, but I doubt that it has done as good a job as RFC did, or better. However, that is beside the point. I did not vote to abolish the RFC. Its abolishment was a mistake.

Mr. HOLLAND. The Senator from Florida did vote to abolish the RFC. He believes a vast majority of the Members of both the Senate and of the House did so, because they realized that it was an unusual emergency organization. When the emergency had passed, Congress abolished the agency. But they realized it was an unusual organization, formed to deal with the emergency; and when the emergency passed, they abolished the organization.

I call the Senator's attention to the fact that the Small Business Administration does not begin to have either the power or the finances of the Reconstruction Finance Corporation. The field of the Small Business Administration covers only a small part of what was covered by the RFC. The Small Business Administration could not have begun to make the loan to the Dawes Bank, of Chicago, or the loan of $4,500,000 to the Everglades Drainage District, in Florida, which I happen to know about, or many, many other loans to public and private institutions which in no sense were in the field of small business. The Small Business Administration is exclusively confined to the field of small business, except in the case of the disaster loans, which are in a completely different field.

I thank the Senator for his courtesy.

Mr. ERVIN. Mr. President, will the Senator from Arkansas yield for a question?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Arkansas yield to the Senator from North Carolina?

Mr. FULBRIGHT. I yield.

Mr. ERVIN. I think the Senator from Arkansas will agree with me on the proposition that the Constitution of the United States gives the Congress power to control the purse of the Nation.

Mr. FULBRIGHT. Yes.

Mr. ERVIN. If Congress were to pass legislation granting to those who administer this loan program authority to finance it for a period of 5 years by obtaining loans from the Treasury, instead of by obtaining the necessary appropriations from the Congress, is it not true that Congress, by enacting such legislation, would deprive itself of the power of the purse, insofar as this program is concerned, for a period of 5 years, unless at some time during that period it took affirmative action to recover that constitutional power?

Mr. FULBRIGHT. I do not agree that that is a fair representation of the situation. The Senator from North

Carolina is extremely astute in the handling of matters of complexity, such as this. I would say Congress would not thus deprive itself of any important power to control the purse. What we propose here has been done in many cases; and I think Congress still controls the purse.

Under this plan Congress would have every power to control the purse that it has had before. The question of whether such action is taken on its own initiative or in response to stimulus by the administration seems to me to have nothing to do with the situation. Congress still has control of the purse and still has the power to rescind, abolish, or control in any way the amount of money to be spent.

Mr. ERVIN. I agree with the Senator that Congress would still have power by affirmative vote to recapture its right to exercise that power.

Mr. FULBRIGHT. And Congress could do it annually, too—not deferred for 5 years. Congress can do it next year.

Mr. ERVIN. Yes. But unless Congress did step in and, by affirmative vote, recapture its right to exercise this power, the power would be exercised by those charged with the execution of the program, would it not?

Mr. FULBRIGHT. I think that is correct. But I do not see that that presents any constitutional question. The Constitution does not provide that in the exercise of this power, Congress must respond only to a stimulus or requirement from someone else. Congress can take affirmative action without any stimulus from the administration, if it chooses. Congress can exercise the initiative on its own directive, or in response to a request, or in any way it chooses. Congress has the power to provide for the expenditure of the funds.

Mr. ERVIN. Does the Senator from Arkansas agree with me that if the Congress does enact this bill in its present form into law, it will be delegating to the ICA or to those who may be in charge of the execution of the program the power to exercise what is actually a congressional power, namely, the power to appropriate and make use of money for a period of 5 years?

Mr. FULBRIGHT. I do not see that that is deciding in this case, any more than when Congress makes money available to the Department of Defense. Once the money is made available, the Department spends it.

Mr. ERVIN. I disagree with the view that Congress does that in the case of the Department of Defense. Congress first passes authorization bills, and then proceeds to appropriate the funds, annually, for defense purposes. That has been true ever since I have been in the Senate, and, so far as I know, before I came to the Senate. I think there is no similarity between that process and the proposed loan program.

Mr. FULBRIGHT. A moment ago I made a distinction between a loan program and a spending program. But even so, very broad authority is given under contract power or authority. But today the Defense Department has so much power that there is no doubt in the minds of those in the Department that they can get whatever they need from the Congress, regardless of whether authority for it already exists.

I mentioned the case of the Export-Import Bank of Washington, the Farmers Home Administration, the St. Lawrence Seaway, and various other organizations—all these lending agencies with borrowing authority; and the Senator from North Carolina and his predecessors in this body have voted for them.

Mr. ERVIN. I can state that whenever I have had a chance to vote against what is popularly known as back-door spending, I have consistently voted against it.

Mr. FULBRIGHT. I do not agree with the use of the term "popularly known." The phrase "back-door spending" is generally used by those who are opposed to the programs. But the Secretary of the Treasury defends this plan; and it is just as much "front door" as "back door."

Mr. ERVIN. I was not using that phrase critically.

Mr. FULBRIGHT. But it is always used critically. I said "the Senator and his predecessors." I mean that Members of Congress have voted for these for years. Actually, the Senator from North Carolina was not even here when some of them were voted for, and neither was I. But Congress has approved all of these.

Mr. ERVIN. Does not the Senator from Arkansas think there is a vast distinction between those charged with our national defense, who have been trained for that purpose, and those who administer programs of this kind, who in many cases are not experienced?

Mr. FULBRIGHT. I agree. I said Congress has confidence in them. Those who administer our national defense have, in fact, inspired so much confidence, in one way or another, that we are virtually their agents; and, in fact, we press upon them more money than they request—as we have done now. This, to me, is not a rational procedure. To me, it is an indication that we are not very far removed from the old tribal society, and that the only thing we do with enthusiasm is to get ready to bash somebody in the snoot. That is the way Congress seems to operate continually.

Mr. ERVIN. But the congressional procedure——

Mr. FULBRIGHT. And it is a very casual one.

Mr. ERVIN. No——

Mr. FULBRIGHT. I say it is notorious that in many cases biggest bills are passed without even a record vote; or if there is a record vote, the bills are passed almost unanimously. I have read accounts of the passage by the House of $30 billion bills with only four or five Members on the floor. In short, the Members realize that the bill will be passed; so they ask, "Why go there and waste time on it?"

Mr. ERVIN. I want to thank the Senator from Arkansas for yielding. I also wish to ask him one other question. Does not the Senator have misgivings concerning a program which is based upon the thesis that we ought to tell any country that we aid that they are conducting their affairs unwisely?

Mr. FULBRIGHT. I have very great misgivings about this whole undertaking, and have had from the beginning. There is no question about that. The point at issue, it seems to me, is not that. In my view, the point at issue is that, since we have the program, and I am convinced we are going to have it whether I am for it or not, it is my purpose to try to make it as efficient as we can and try to give those in charge of it the appropriate tools with which to discharge their duties and obligations. It seems to me very unfair to have a program and expect them to carry it out, and then hogtie them so that they cannot do it.

As for the basic problem of whether we should be in this program at all, I have been very much bothered as to whether a country set up as we are, a huge continental country, dominated to a great extent by local and provincial interests, interests which are perfectly proper, will be able to conduct continuous programs in the international field that will be effective. I think we must resolve that question. I am not at all sure we can do it, because we are very inexperienced people in any kind of international relations except war. The only successful international enterprise which we have enjoyed is in the prosecution of war. We have done that twice in recent years. With nuclear weapons, I do not know. I will leave that for future discussion.

I share the Senator's misgivings. The United States can, with all its great virtue, provide a good life for its people, developing the country locally. But so far as concerns playing a responsible, intelligent part in international relations, I share the Senator's misgivings, because we refuse to give any continuity to plans, in any respect, not only in this field, but in other fields, for the next year or the year after. We always look at them as if they were domestic, local matters, and as though we were the city council.

I have misgivings about our capacity to run these programs. But the decision that we participate in international affairs was made before I came to Congress, and I have a feeling it will continue, because there is the feeling that we should participate. So we have this bill. We are going to pass it. The only point at issue is, are we going to give it a reasonably good chance to succeed, or tie it down so it will not have any chance to succeed? That is the only point at issue.

I solicit the Senator's sympathy. The question is not whether we should have a program or not. I have great misgivings——

Mr. ERVIN. Mr. President, if the Senator will yield, I wish to make an observation that I have very grave misgivings about a procedure which involves winning friends and influencing people by telling them they are acting a very

unwise way and that they should change their ways. I have had that kind of misgiving for a long time. I remember, as a child, hearing my maternal grandfather, whose name was William E. Powe, tell a story that one time many years before when he was driving a buggy by a house, he heard a woman in the house scream as if she was being murdered. He jumped out of the buggy, ran up to the house, looked through the open door and saw a man he knew beating his wife. My grandfather said, "John, you ought to be ashamed of yourself, beating your wife." Whereupon the wife reached down to the hearth picked up a skillet and brandished it at my grandfather, and said, "Mr. Powe, if my husband wishes to beat me, he has a perfect right to do it without strangers interfering."

I fear we are going to make more enemies than we make friends by going into countries and suggesting that they ought to change their ways.

I thank the Senator for his courtesy in yielding.

Mr. FULBRIGHT. I think the Senator can make a good case for his view, but I do not see that it is relevant as to how the program is financed. His point is relevant to whether the program should be in effect. However, in the Act of Bogotá, we did not inspire these provisions about reform. The Latin-American countries themselves were anxious to enter into the obligations of reform. I had the feeling, and still have, that many of the enlightened leaders, of which there are certainly some in those countries, desire the support of this country and our policies in helping them to achieve what they know to be necessary to bring their countries to a more enlightened and progressive administration. But I submit that what the Senator now mentions has nothing to do with how the program is financed. Even though he decides to vote against it because he is convinced—and I certainly have great respect for him; he is one of the most highly intellectual and intelligent Members of this body; and I have often observed it; and I regret I do not agree with him on this—and even if he is going to object to the whole program, at the same time recognizing, however, that it will probably be enacted, I ask him not to hogtie it so it will not be effective. Even though he thinks it is a misguided program that cannot succeed, at least give it a chance. Do not permit our commitments to be burdened with the hobbles which we all feel have developed in a program that is less than satisfactory and that needs improving.

Mr. President, I have taken longer than I intended to. I appreciate the interest of my colleagues in this matter. It is an important matter. I always regret that it follows an appropriation bill for the armed services, in which we have already approved a program for the expenditure of almost $50 billion, which was enacted with great enthusiasm. I heard no one saying it was a disagreeable or disappointing program. I venture to say it is not entirely without waste, as we use that term. I point out that $1,800 million of this program is for the military, and that fact should be realized. It is for military arms; it is not for economic improvement. I personally feel that economic improvement is of greater future significance to the country than military aid. But that military item is in here, and it should be realized that the same military personnel who are going to use the military appropriations are going to be the ones concerned with the $1,800 million provided in this bill.

Mr. ERVIN. Mr. President, if the Senator will yield, I will say that I look with favor upon a program which gives military aid to nations which have manifested a willingness to stand on the side of the free world in any possible Armageddon with Russia. However, with the bill as it is drawn, even though I favor the military aid, there is no way I can take the orange juice without taking the castor oil with which it is mixed.

Mr. FULBRIGHT. If I ever saw a country that needed castor oil, it is this one. I hope they will take it, if I can persuade them to do it. But it is a strange thing that, when the military appropriation bill comes before us, everybody falls over himself recommending it. This is not ICA military aid. The very same soldiers are going to administer this military aid as are going to administer the military appropriation bill.

Mr. ERVIN. Can the Senator tell me some way in which I can vote for the military part of the program without voting for the other part? Is that not a legislative impossibility?

Mr. FULBRIGHT. No. I suppose the Senator could move to strike out every part of the bill except for military aid. That is always possible. I do not know of any rule of the Senate that prevents him from moving to strike everything from the bill except the part pertaining to military aid. I hope he will not do that, but he has a right to do it.

Mr. ERVIN. But that is procedure which does not exist when the bill weathers such proposed amendments and is put on final passage.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. Does the Senator not agree that when a country is extremely in need and is very new and requests no military aid be given to it, but a relatively small amount of economic aid, that request should be given some consideration from the standpoint of our foreign policy?

Mr. FULBRIGHT. I certainly would agree with the Senator. The subject opened up by the Senator from North Carolina is a very broad one. I was tempted to get into it, but I thought, having occupied the floor a very long time, it would be better not to enter into the wide general policies involved in the administration of this program.

Mr. SYMINGTON. Mr. President, I shall speak at further length on the bill.

Mr. FULBRIGHT. I hope the Senator will.

Mr. SYMINGTON. Based on what the Senator has said, I shall try to develop the point.

Mr. FULBRIGHT. I hope the Senator will. I do not wish to cut the Senator off. I simply do not care to occupy the time of the Senate too much.

Mr. SYMINGTON. I understand. I appreciate the Senator's courtesy. I do not consider myself to be cut off at all.

Mr. FULBRIGHT. I would welcome the Senator's observations. I hope he will make his comments when more Senators are present. As the Senator knows, few Senators are now present.

Mr. SYMINGTON. I think, considering the way the Senate has been going lately, a surprisingly large number of Senators are present.

Mr. FULBRIGHT. In any case, apropos of the remarks of the Senator from North Carolina, the broad subject brought up causes me to add only that when the Senator says he would advocate giving aid to those who pledged themselves to stand up in an Armageddon I do not disagree, to a point, but I would remind the Senator that the object of this program is not solely, nor perhaps even primarily, to win an Armageddon. The object of the program, I think, is to prevent having an Armageddon.

I know the Senator is aware of the fact that many responsible people say that if we have an Armageddon between 125 and 150 million people will be killed. Frankly, while I have gone along with all of the military appropriations, and shall continue to do so, it seems to me that some of us ought to be concerned with how to prevent an Armageddon from taking place.

Many people have concluded that this is hopeless and have said, "We are going to have a war anyway, so forget about anything designed to prevent the Armageddon."

Essentially the part of the program I am now talking about is designed not to win an Armageddon, but to try to create a condition which will prevent it from coming about. This is a program for peace, rather than a program of preventive war. We wish to prevent the outbreak of war, rather than to get the war over with.

I am always amazed when I see intelligent people get so frustrated that they say, "If we are going to have a war, let us have it now and get it over with, for I am tired of worrying about it." That is somewhat comparable to the man who jumped off the bridge, who said, "I am going to die some day, so I might as well get it over with." And he died then. This is the result of frustration and disappointment by lack of success of our policies.

I wish to say, since we have opened up the subject, I think many of us—I hope I do not—overstress our difficulties.

I note quotations in the newspapers. Many people say that we have lost the cold war, that the program has gone down the drain, that our program is no good at all. I think this is an utter exaggeration of the fact.

I noticed in this morning's newspaper that the British Empire has agreed to

join the Common Market. This is an extraordinarily significant thing, which passes almost unnoticed in our press, because of a preoccupation with hijacking. It is extremely important. If these people actually do merge their great countries, there will be a great advance in the power of the free peoples of the world. This is what has been lacking among us. I think if it happens, eventually, this country will give serious consideration to joining, and eventually will probably join, because it is in this direction in which the salvation of the free peoples lies.

These are very broad questions of policy which do not go to the question of financing of this particular activity. I wish to remind the Senator from North Carolina that the program is designed—perhaps only hopefully, but it is so designed—to try to prevent the Armageddon which he mentions in regard to the arms program.

It is not contended that this procedure will have no effect in limiting the authority of the Appropriations Committees and the Congress. While there will be unquestioned authority to reduce or even eliminate funds available for development lending, in practice the Appropriations Committees in the past have seldom exercised this authority with respect to such Government corporations and agencies as the Export-Import Bank.

The reason for this restraint lies in the fact that authorizing legislation sets forth the intent of Congress, and it is not properly within the domain of the Appropriations Committee to reverse the legislative intent through the device of reducing or eliminating the funds.

The distinction between legislation and the limitation of funds is one that is clear in theory but fuzzy in practice. The important point here is that under the aid bill and the Government Corporation Control Act it is left to the Congress to determine where the line is to be drawn. In short, the legislation before us does provide for restraint on the normal appropriations process, but it is self-restraint. This being so, there can be no danger of Executive usurpation. Congress is indeed being asked to give new authority to the Executive. The commitment is a real one, but it is also tentative, subject to modification or withdrawal.

Mr. President, I have a very fine editorial from the Kansas City Star entitled " 'Back-Door' Aid Is Just Business Sense." The Kansas City Star is one of the great conservative newspapers of this country. I ask unanimous consent to have the editorial printed in the RECORD.

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

BACK-DOOR AID IS JUST GOOD BUSINESS SENSE

In less than a week, both the House and Senate Foreign Affairs Committees have endorsed President Kennedy's foreign aid program. Each committee made relatively small reductions in the recommended appropriation. But each approved what is the real heart of the program: the 5-year authority to borrow money from the Treasury for long-range aid to developing nations. On the floor, we can be sure, the fight will center on this so-called back-door spending. But committee approval should carry some weight.

It is unfortunate that this type of spending should be burdened with the prejudicial back-door title. It conjures up pictures of foreign aid people sneaking out of the Treasury, money sacks loaded, while no one was looking. The picture is false. Careful checks would still be possible. Congress would still hold the power of investigation.

Besides, how can we expect the developing nations to limit their development to 1 year at a time? Such a piecemeal approach is contrary to the recognized practices of private business and governments alike. It simply does not make sense.

Moreover, the money at issue would be used for loans, not grants. The House bill provides that the repaid loans would go into a revolving fund for aid purposes. The Senate committee calls for repayment to the Treasury general fund. At any rate, we have nothing here that approximates the giveaway.

We can understand the emotionalism that surrounds back-door spending in Congress. Many lawmakers regard the device as a method of bypassing the traditional authority of the Appropriations Committees. Obviously this method of spending authorization should be used with extreme caution. We would hate to see it become standard practice. But the Nation, and its Congress, must realize that in cold war, certain methods may be the most efficient, even though, under other circumstances, it would be better to avoid them.

Frankly, we would be much happier if this were a time in which the great burden of aid could be laid down and forgotten. But today the United States has no choice. The expense must be borne. The job must be done. It must be done in the most efficient manner possible.

Back-door spending is simply a means of obtaining efficiency. In effect, it means that the United States would be able to assure the developing nations that they could safely plan ahead. It would let them know that a change in the political climate here would not cut off their source of borrowing. It is ridiculous to think that the other countries can move forward on a year-to-year basis. Yet the recipient nations have no assurance, at present, that a project once started will not have to be halted for lack of funds.

Under back-door spending Congress would retain its control over the total amount to be passed out in loans. It would be able to extend the program, once the 5 years have ended, or to end it then and there. Perhaps, at the end of 5 years, so massive an aid effort would no longer be necessary.

Mr. FULBRIGHT. Mr. President, the enactment of the borrowing authority in the aid bill will thus constitute an expression of intent on the part of Congress to provide funds over the 5-year period. The executive branch will be free to make conditional commitments of these funds. In effect, the burden of initiative is shifted from the Executive to Congress. The Executive will be entitled to assume that funds will be available while Congress, if it chooses, can reduce or withhold funds for affirmative reason.

The Executive is further required to submit quarterly reports on lending operations to Congress and an annual presentation covering all development lending operations must be made available to the authorizing committees of Congress. The ultimate authority of Congress is retained in its power at any time to change the lending criteria or to curtail or even to end the borrowing authority or any part of it.

While Congress thus retains legislative control, the program would have the great merit of encouraging recipient countries to undertake comprehensive development plans with reasonable assurance that programs undertaken would be supported through completion. Continuity is essential to economic growth. Without it there can be neither efficient nor economic use of resources. Moreover, our ability to pledge aid in advance should be a major factor in obtaining assurances of contributions from other industrialized countries. The Committee on Foreign Relations firmly believes that the long-term borrowing authority "will promote efficiency, economy, and above all, durable economic growth."

The Soviet Union has most skillfully used its ability to make long-range commitments for the purpose of subjecting developing nations to economic dependence on Soviet support. The long-term borrowing authority will enable the United States to help developing nations to become self-sufficient, independent of American support and of Communist enticements as well.

Supplementing the hard loans for development, the bill authorizes $380 million in development grants. This category of aid is comparable to technical assistance under existing programs. In short, it is intended principally for the development of human resources in societies still in the earlier stages of economic development.

The military assistance provisions of the bill are based on the conviction of Congress, as expressed in section 502 of the bill, that "the security of the United States is strengthened by the security of other free and independent countries."

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. Before the Senator proceeds further beyond the treatment of the loan program, I wish to invite to his attention the fact that many people refer to the loan program as a giveaway program. It is true that some loans may never be repaid. I suppose every bank operates upon the assumption of such a possibility.

Lest this canard go unanswered, I should like to invite to the Senator's attention the fact that through Democratic and Republican administrations from July 1, 1945, to June 30, 1960, the U.S. Government has issued credits to the extent of $18,654 million, and $6,588 mil-

lion of that amount has been repaid. Will the Senator be kind enough to permit me to have printed at this point in the RECORD a tabulation showing not only the total credits utilized and loans repaid, but also a breakdown as to countries?

Mr. FULBRIGHT. I think it would be very fine to have it in the RECORD. I ask unanimous consent that the table supplied by the Senator from Tennessee be printed at this point in the RECORD.

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

Total U.S. credits utilized, and loans repaid, July 1, 1945–June 30, 1960

[Millions of dollars]

	Credits utilized	Loans repaid [1]	Loans outstanding June 30, 1960 [2]
Grand total	18,654	6,588	12,862
Far East	1,784	1,026	806
Burma	17	4	13
China, Republic of	305	132	222
Indonesia	183	49	134
Japan	967	730	237
Korea	28	4	24
Philippines	196	100	96
Thailand	38	7	30
Vietnam	50	(3)	50
Near East and south Asia	1,786	403	1,523
Near East	969	230	752
Greece	190	68	120
Iran	195	19	176
Iraq	1	1	(3)
Israel	310	59	252
Jordan	(3)		(3)
Lebanon	2	2	
Saudi Arabia	19	17	15
Turkey	209	46	164
United Arab Republic	43	18	25
South Asia	817	173	771
Afghanistan	51		51
Ceylon	6	(3)	5
India	550	139	502
Pakistan	210	34	213
Africa	247	72	180
Algeria	1	(3)	(3)
Angola	(3)	(3)	(3)
British East Africa	2	(3)	2
Congo (Leopoldville)	2	2	
Equatorial Africa (French)	4	1	2
Ethiopia	11	10	5
Liberia	43	7	40
Libya	3		3
Morocco	110	18	92
Nigeria	1	1	
Rhodesia and Nyasaland	61	33	27
Somali Republic	(3)		(3)
Sudan	5		5
Tunisia	4		4
Latin America	2,700	1,205	1,689
Argentina	289	69	220
Bolivia	45	9	36
Brazil	1,020	487	589
Latin America—Continued			
Chile	250	113	152
Colombia	220	93	138
Costa Rica	15	7	15
Cuba	48	14	36
Ecuador	43	17	31
El Salvador	1	2	
Guatemala	3	2	1
Haiti	26	6	28
Honduras	7	2	6
Mexico	410	217	201
Nicaragua	3	4	3
Panama	8	4	4
Paraguay	18	6	17
Peru	202	36	166
Uruguay	16	14	8
West Indies	21	21	
Venezuela	24	20	6
Unspecified	32	62	32
Europe	11,314	3,478	8,188
Austria	79	37	42
Belgium-Luxembourg	245	121	124
Denmark	57	15	42
France	2,503	944	1,557
Germany (Federal Republic)	1,356	510	845
Iceland	26	1	25
Ireland	128	4	124
Italy	548	306	242
Netherlands	439	261	214
Norway	141	88	53
Poland	134	34	103
Portugal	57	8	48
Spain	232	41	192
Sweden	24	7	17
United Kingdom	5,035	1,073	4,278
Yugoslavia	210	19	191
Coal, Steel Community	100	9	91
Other	65	15	50
United Nations	65	15	50
Other, non-MSP programs	758	388	424
Australia	14	19	3
Canada	163	170	
Czechoslovakia	30	25	5
Finland	145	75	94
New Caledonia	2	(3)	
New Zealand	18	9	9
Hungary	16	6	10
Union of South Africa	148	64	84
U.S.S.R.	222	4	219
Other Arabian Peninsulas (Bahrein)		16	

[1] These repayments are the total during the period, and are not necessarily against the credits utilized during the period, as they include repayments against loans extended prior to fiscal year 1946.

[2] See the following:

Loans outstanding on June 30, 1960	$12,862
Repayable in local currency	3,436
Repayable in dollars	9,426

[3] Less than $500,000.

Source: "Foreign Grants and Credits by the U.S. Government," June 1960.

Mr. FULBRIGHT. I wish to make clear that approximately 2 or 3 years ago we authorized the making of loans available in local currency. I believe the authorization has been greatly misunderstood. Some of those so-called loans were not loans in the true sense and should not be interpreted as such, because under the provisions of the act, they were repayable in local currency, but the local currency was retained for investment in the country. For practical purposes that type of loan is a form of grant.

Mr. GORE. I agree. However, it is a grant limited by the ability of the United States to direct expenditures for purposes of its own choosing in agreement with the recipient country.

Mr. FULBRIGHT. The Senator is correct. I think the project served a legitimate national interest. That is not the point. I agree that it does, and we justified it to those who look at the loans in an orthodox manner as a bank loan. It was intended to be considered as such.

Mr. GORE. It was never intended that so many dollars would be repaid to the Treasury of the United States.

Mr. FULBRIGHT. The Senator is correct.

Mr. GORE. But the local currency is available for the use of the United States within those countries for the purposes of our own choosing and subject to agreement with those countries.

Mr. FULBRIGHT. Yes, mutual agreement.

This debate reminds me of the analogy of the RFC. One of the reasons the RFC was often misunderstood was that, in addition to its lending authority, which was legitimate and well conducted, by and large, from time to time Congress passed bills directing the RFC to subsidize a domestic producer of a commodity. This subsidization was confusing in the minds of the public, and the RFC lost a great deal of money. But they were only carrying out the will and direction of Congress.

Mr. GORE. The same problem arose with respect to the Commodity Credit Corporation.

Mr. FULBRIGHT. The Senator is correct. The agency does only what Congress directs it to do, which is to pay

a subsidy. In making this kind of loan, the foreign aid program would be doing only what we would tell them to do, which is to make this type of loan, which is really not repayable in dollars and should not be considered a regular loan.

Mr. GORE. The use of agricultural surplus commodities brought some criticism of that program.

Mr. FULBRIGHT. That is true. In the rush of modern life and the inadequacy of newspaper coverage, it was not clarified.

Mr. GORE. But so far as the bill is concerned, the loans are not to be repayable in local currencies.

Mr. FULBRIGHT. With respect to the Development Loan Fund, which we are discussing, the Senator is correct. Those loans are repayable specifically in dollars, and only in those cases in which there is a reasonable prospect of repayment as provided in the bill.

A 2-year authorization is provided under which the sum of $1.8 billion is made available for each of the fiscal years 1962 and 1963, with the funds to remain available until expended. It is specified that military assistance to any country is to be furnished only for internal security, for legitimate self-defense, and for participation in collective security arrangements consistent with the United Nations Charter. It is also recommended that military assistance programs encourage the less developed recipient countries to use their military forces in projects of economic development. The emphasis of the program is on assistance to countries, particularly those bordering on the Sino-Soviet empire, which face the threat of external aggression, internal subversion, or both.

Many Americans have become disillusioned with the foreign aid program, as with other aspects of our foreign policy, because after years of sustained efforts the vision of a secure and peaceful world seems as remote as ever. It is felt that we have done all of the proper, decent, and noble things, but to no avail. This widespread feeling of frustration results largely from the discovery that we are not able to fix things up quickly, that in spite of our prodigious efforts, a free, secure, and prosperous world has not resulted.

These despairing views reflect both excessive hopes and an unduly pessimistic assessment of the accomplishments of recent years. We have not yet fully accepted the fact that there are limits to foreign policy, that there are no absolute solutions to the problems that beset us. I think that our pessimism is rooted in the grand old American idea that "we can do anything, and do it quickly once and for all." It was a splendid idea, reflecting the effervescence of our youth as a nation. Now we have come of age and we must recognize that some problems cannot be solved but can only be mitigated and some we must learn to live with. The lesson is not an easy one, but once we have learned it, I suspect, much of our pessimism will give way, if not to vibrant optimism then at least to a mature serenity.

There are those among us who contend that foreign aid is good money thrown after bad, that the underdeveloped and uncommitted nations are irretrievably hostile to Western democracy and increasingly receptive to the enticements of communism. I believe this defeatism to be profoundly mistaken and unwarranted. It falsely equates the designs of Communist imperialism with the worldwide movements of social reform and social revolution which almost everywhere seek economic well-being, social justice, national independence, and nonalinement with the great powers.

The result of this confusion is unwarranted despair and a tendency at times to "write off" nations that in fact are not "gone." In 1955, for example, we were told that Egypt, Syria, and Iraq, and all of the oil of the Persian Gulf, were "gone" or "going." When we look at this area now, we see that none of these countries have become Communist. The United Arab Republic has stirred the wrath of Premier Khrushchev by its policy of continuing to consign its local Communists to jail. Colonel Nasser played a decisive role in preventing the flow of Soviet arms to rebel forces in the Congo. A more recent example is provided by Guinea, which 6 months ago was being written off as "gone." Now, despite—or perhaps because of—the presence of several hundred Soviet technicians, Guinea is clearly not "slipping into the Soviet orbit" and the chances are good that it will ultimately line up with the rest of independent Africa as a neutralist state.

The wave of the future is not Communist domination of the world according to the Marxian scripture. The wave of the future is social reform and social revolution driving toward the goals of national independence, social justice, and a better material life for the two-thirds of mankind who live in bitter deprivation. As Walter Lippmann wrote in a recent article: "If we make our own policy one of opposition to this worldwide movement of social change, we shall lose the cold war and Mr. Khrushchev's hopes will be realized. If, on the other hand, we befriend and support with active measures the movements of social change, their leaders will not submit to Moscow because they do not have to submit to Moscow. They do not wish to submit to Moscow because what they want is independence."

Perhaps a concrete illustration can help to illuminate the way in which our foreign aid program contributes to the worldwide drive for social reform and economic advance.

The Iranian village of Barquijan is a small community of 1,500 people. Its story is reported by Mr. Roy Vicker in a recent article in the Wall Street Journal. For 2,000 years Barquijan was isolated by mountains from the outside world. In 1959, the American aid program advanced $4,000 for tools, engineering assistance, and cement for the construction of a road. Over a period of 12 months the villagers built the road with picks, shovels, and wheelbarrows. The building of a road to the outside world was the central fact in opening the door to the 20th century for the people of Barquijan. Before it was built fertile lands could not be developed for lack of markets. The villagers raised only what they could store and eat and had little money for the lean time of year before the new crops are harvested.

The road has broken the pattern of 2,000 years. Daily bus and truck service now connects the village with the outside world. The road made it possible to lure teachers to Barquijan and a new six-room schoolhouse is now in operation. Many new projects were stimulated by the road: A foot bridge, two new mosques, a community bath. A government health officer now comes to examine the villagers every 10 days instead of once a year. This means a great deal to a community where formerly 5 of every 10 children died before reaching their teens. One hundred and twenty-five acres of new land have been put under cultivation now that the villagers can send their produce to outside markets.

Barquijan is a very small but very impressive example of what can be done when a modest amount of American aid—$4,000 in this case—is placed at the disposal of local populations who have the will to help themselves.

A more comprehensive if less dramatic story is told by a few statistics. In South Vietnam, despite chronic internal strife, agricultural production doubled between 1955 and 1960 and electric power production increased by more than 40 percent. In India, the gross national product in stable prices went up 19 percent between 1955 and 1960; industrial production increased 38 percent; electric power production increased 87 percent. In Pakistan agricultural production increased by 17 percent, industrial production by 61 percent, electric power production by 162 percent. The comparable figures for the United States for the period between 1955 and 1960 are: agricultural production up 14 percent, industrial production up 12 percent, and electric power production up 33 percent.

American assistance has played a major role in these impressive achievements. In a few areas, however, the contribution of our aid has been vitiated by waste and inefficiency, feudal conditions, and corruption among officials and administrators. The few instances of failure must be the object of our close concern and the subject of thoroughgoing reappraisal. In advocating such reappraisal I cannot emphasize too strongly the importance of maintaining a rigorous sense of proportion. There could be no greater folly than a descent into black pessimism over the whole foreign aid program because of a very few instances of inadequate performance. The program on the whole has been productive and the legislation now before the Senate represents a significant departure toward programs that promise to be more productive than even our most successful efforts in the past.

Having made these extremely important qualifications, I, for one, am not willing to be bound by an uncritical orthodoxy that seems to afflict some of the most sincere and zealous supporters of foreign aid. There have been fail-

ures and disappointments and the highest purposes of our foreign aid program and of our foreign policy in general are ill served by halfhearted rationalizations designed to explain away these failures. It is a far more constructive contribution to explore the causes of isolated failure with a view to remedy and more effective performance in the future.

The Republic of Korea is a striking example of performance for short of reasonable hopes and expectations. Admittedly Korea is in many respects a special case warranting special treatment. Korea is a classic example of the problem of balancing the special case of a client state to which the United States is deeply committed against the requirements of worldwide policy. In the words of George Liska, author of a recently published book on foreign aid as an instrument of American foreign policy:

> The policymaker's dilemma is chiefly this: how much should each decision fit the particular case rather than conform to the requirements of consistency and coherence of the overall foreign aid policy. The two requirements are equal in standing as long as they are reconcilable; if they are not, the second must prevail.

Between 1946 and 1960 the United States extended almost $3 billion to Korea in economic aid and over $1.5 billion in military aid, a total of almost $4.5 billion.

There is little to show for this massive infusion of American capital. While it is readily understood that the results of our initial aid were more than wiped out by the ravages of war, the fact is that results have been extremely disappointing in the 8 years since the end of the Korean war.

Mr. President, to further illustrate these points, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Korean Business Still at a Standstill," by Alan Cline, which appeared in the Washington Post on July 31.

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

GLOBAL TRADE: KOREAN BUSINESS STILL AT A STANDSTILL

(By Alan Cline)

SEOUL, July 30.—After pumping $4.5 billion into South Korea since the end of the Korean war, the United States has an ally considered strong militarily but economically on the ropes.

A close look at one of America's most costly wards shows a peninsula of poverty where the average annual wage totals $60. Unemployment in the overcrowded land of 25 million approaches the 3 million mark.

The military men who ousted the elected government of Premier John M. Chang May 16 used the extreme depressed state of the nation as a prime reason for their coup.

Ten weeks later there is no change economically. Business remains at a standstill.

What happened to the $2.5 billion in economic aid alone poured into South Korea since the end of the Korean war in 1953?

Why did the Senate Foreign Relations Committee only last week say results of the aid program have been discouraging—to put the case mildly?

There is no clear-cut answer to this complex situation. Americans tend to blame the Koreans. The Koreans blame their past Governments and the Americans.

Not to be discounted is the 600,000-man South Korean army, said to be necessary to protect the country from invasion from the Communist North.

The military eats up nearly half the annual budget—nearly $500 million this year—and gets millions in support and equipment from the United States.

American aid officials here in the main do not see the $2.5 billion in economic assistance as a sorry waste. They cite one pertinent fact: South Korea still is in the Western camp.

The most glaring example of dollar loss is in the 29 factories completed with the aid of U.S. dollars but not operating. Most of the $2,747,000 involved went for machinery. Only 26.3 percent of the 114 projects completed at a cost of $15,893,000 are operating at a 100 percent capacity.

The Americans say what happened was that the Korean wanting to build went to the Government Reconstruction Bank and applied for a loan. In most cases of failure, it was a case of faulty financing. But if the bank didn't object and the man's papers were in order the loan was made.

A loan for a new small business project hasn't been granted since 1958.

The American economic people here point out that aid began in a postwar period in a land of total devastation. The main aim was restoration—transportation, power, some semblance of a working economy—and, of course, to feed the people. Mistakes may have been made in those early days, said one American, but they were human errors caused by the impatience of well meaning men to get something done in a hurry.

There are other reasons for the plight of the Korean economy.

It was unbalanced, abnormal, fragile, and backward after the country was freed from 50 years of Japanese rule in 1945. The Korean has his own way of doing business. Some of his methods are part of tradition. Keeping three sets of books as a means of dodging taxes and the tendency to bribe officials when seeking favor are not the ideal ways to build a stable economy.

A handful of industrialists control the economy. They were in solid with past governments. They asked for favors. The U.S. administration at the time supported the existing government and the American officials here went along with what the Korean Government wanted. Now there is a lack of sufficient managerial and technical talent.

Now there also is a feeling among many Koreans that the United States is using their country as a dumping ground for its surplus products.

Especially disturbing is the "Buy American" policy which requires the Korean using American aid dollars to buy and ship American.

The businessman would rather trade with Japan. He can buy there cheaper, ship cheaper and save money on interest rates for the hwan loan he needs to get the aid dollars.

He cannot get too excited about America's problems with gold reserves and foreign exchange. What he wants is a fast return on his investment and "Buy American" is hampering that. Some Koreans contend shipment of surplus farm commodities, despite its use in feeding hungry people, only hurts the local price structure.

"We cannot deny management of American funds was not perfect under the former corrupt regimes," says Premier Song Yo-Chan, a retired lieutenant general. But he claims all that has been changed now and America and the Western allies should provide Korea with more aid than in the past.

Mr. FULBRIGHT. Mr. President, on all counts except literacy, Korea remains today a country still in a very early stage of development, deficient in the preconditions for sustained economic growth. The Government has been chronically unstable, marked by incompetent administration, widespread corruption, and, except for a brief period, by totalitarian rule. Communications and public services remain primitive. Per capita gross national product has increased only to a very small degree and there is widespread unemployment and underemployment.

A strong case can be made for the thesis that American funds have been used inefficiently and that American interests and objectives in connection with their use have not been adequately defined and defended. According to the study of American foreign policy in Asia prepared by Conlon Associates, Ltd., for the Committee on Foreign Relations in 1959:

> Basically, we have had a weak policy toward Korea in terms of stipulations, controls, and supervision. We have usually invoked the time-honored maxim noninterference in the internal affairs of another State, despite the fact that massive aid obviously is interference and our responsibility for overall trends in Korea—and its ultimate defense—cannot be avoided. Our techniques of aid, and our responsibilities in connection with aid need to be basically reassessed.

Taiwan is another special case as to which legitimate questions may be raised regarding our foreign aid investment. Since 1946 we have provided Nationalist China with almost $1.9 billion in economic aid and over $2 billion in military aid, for a total of almost $3.9 billion. We have provided more overall assistance to Korea and almost as much for Taiwan as for all of the countries of Latin America, which since 1946, have received aggregate aid amounting to something over $4.4 billion. The exceutive branch is on notice that these cases will be exhaustively reviewed by the Committee on Foreign Relations next year, and that new arguments may be required to justify some of them.

Our resources are limited. Because they are, it is imperative that the requirements of our overall foreign aid policy interests, take priority over aid policy, and indeed of our overall foreign policy interests, take priority over the needs of special cases. It seems advisable, therefore, that the executive branch soon undertake a thoroughgoing reappraisal of foreign aid, setting each category of aid and each country program against the requirements of overall policy. The guiding principle of such a reappraisal must be the basic long-range interests of the United States. We cannot afford—either politically or economically—to permit our aid program to be dominated by obsolete predilections which have been frozen into public opinion or by sentimental attachments to old friends and lost causes.

It is now over a decade since the provision of economic assistance on a planned and organized basis became an established instrument of American foreign policy. On the basis of this experience it should now be possible to devise an overall concept of foreign aid rooted

both in the national interest and in the realities of economic development.

In the past we have erroneously assumed that the overriding or even sole requirement for the development of a poor country was foreign capital and a certain amount of technical assistance. There are other requirements which are the indispensable preconditions for economic growth. There can be no durable, self-sustaining growth in the absence of a substantial degree of literacy and at at least a small number of people with the higher education and technical skills needed for the managerial and technical tasks of development. There must also be a substantial degree of social justice—if the ordinary individual is to contribute to the development program of his country, he must be free of the yoke of usurers and feudal landlords and given a personal stake in his country's future.

An effective and reasonably honest apparatus of Government and public administration is indispensable—there can be no self-sustaining growth in the absence of law and order and the capacity for planning, organization, and the management of fiscal and material resources. There must also be a clear and purposeful view of what development involves—it must be understood in hard economic terms and not merely in the romantic terms of nationalist feeling. Successful development programs require all these before large-scale capital investment can be productively employed.

We can and should assist those countries which lack some or all of the preconditions for sustained growth. But we must assist them with the things that they immediately need, not with great infusions of capital that they lack the capacity to absorb. Our assistance to such countries must consist of programs of predevelopment while our overall aid program must attack all of the barriers to growth. Education, social reform, and public administration are thus seen to be as important as capital investment.

It follows that the great bulk of development funds under our foreign-aid program must be concentrated on those countries which have largely fulfilled the preconditions for growth. The Secretary of State expressed this proposition admirably in his statement to the committee on May 31. Humiliating strings must be avoided, he said:

> But we do believe that our investments should be good investments, that we should be given something to support, and that honest and diligent administration is indispensable if outside help is to be productive. Self-help must be our principal string—and an insistent one.

Certain countries have largely fulfilled the preliminary requirements for development. Among these are Pakistan, India, Brazil, and perhaps also Ghana and Nigeria. In India there is a large literate minority and a highly educated elite, a considerable degree of social justice, an effective administration, and a clear sense of direction. As a result, India has been making substantial industrial progress.

The aid program reflected in the bill before the Senate is in great measure oriented to these considerations. Approximately three-fourths of the funds intended for development lending are earmarked for India, Pakistan, and Brazil—all countries which have largely fulfilled the prerequisites for economic growth. These are key countries both economically and politically. They are committed to realistic development plans. Their prestige and influence are on the rise and their examples are certain to exert a powerful attraction on other countries which are economically underdeveloped and politically uncommitted. Our aid to them, by all reasonable calculations, is an excellent investment toward the realization of self-sustaining growth.

If the development programs of such countries are successful, it is not unreasonable to hope that in due course they will be able to share the burden of assisting in the development of their smaller and weaker neighbors. If some of the large sums that have been expended to little avail in Korea and Taiwan had instead been invested in India and Brazil, those countries would now in all probability be considerably farther along the road to self-sustaining growth.

The program before us is a worthy start toward an aid policy based on rigorous selectivity according to where the prospects of success are greatest. It is my hope that the executive branch will continue to reassess overall aid policies. As John Kenneth Galbraith wrote in a recent article on the requirements of economic growth:

> We must have a design for economic development which extends to all of the barriers to advance; it must be adaptable to the situation of the individual country; and we must have some objective test of progress. We can no longer allow ourselves to assume progress where, in fact, there is none. If we are contributing to development, we need to know it and stick to our course. If we are on the wrong path, we also need to know it and change.

An extremely important factor in the new phase which foreign aid has entered is the fact that the United States need no longer bear the aid burden alone. The major powers of Western Europe, themselves the important prominent beneficiaries of American assistance, are now in a position to make important contributions to the development of the southern continents. One of the principal purposes of the Organization for Economic Cooperation and Development is to coordinate the aid programs of the Western nations and Japan.

In the words of the committee report:

> The pattern for the future of foreign aid is being laid down now; and 1961 should be regarded by future historians as the transitional year in which the United States, Japan, and Western Europe joined their efforts to narrow the dangerously widening gap between the rich societies and the poor.

The wealthy nations of Europe are giving increasing recognition to their political and moral obligation to share the burden of assisting the underdeveloped lands. This does not mean that the responsibilities of the United States will be lightened. It means that the other wealthy nations of the free world are ready to make proportionate contributions. Together with the United States, these countries have a preponderance of the world's financial, scientific, and technological resources. They are now ready to put these to generous use. As the London Economist recently put it, there is a desperate need for "the idealism of the old world to redress the aid weariness of the new."

Our aid program, as I said at the beginning of these remarks, is a calculated risk. It is not the solution to all problems and it may fail altogether. By every reasonable calculation, however, it will not fail. A realistic assessment of the powerful forces of social change that engulf the world suggests that a continuing aid program that is wisely conceived and executed is the best possible investment we can make toward the realization of a new world community of free and prosperous nations. No objective is more clearly in the interests of the United States.

Self-interest alone, however enlightened, is not an adequate guidepost for our assistance to the poor nations of the world. There is a moral compulsion as well, a simple acknowledgment of the fact that we cannot honorably live in a world in which we are growing ever more affluent while hundreds of millions of people sink deeper into misery and deprivation. Surely considerations of social justice, humane concern, and Christian compassion are, in the final analysis, a more compelling motive than narrow self-interest.

Mr. COOPER previously said: Mr. President, I know it is appropriate that the chairman of the Foreign Relations Committee, and the one who will handle the bill on the floor should speak first in this debate, but he has been very kind to permit me to speak at this time briefly, because I cannot speak very long.

I ask unanimous consent that my remarks of 6 or 7 minutes may follow his in the RECORD.

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

Mr. COOPER. Mr. President, as the debate on S. 1983 proceeds, I expect to elaborate my reasons for supporting the committee bill, which embodies the President's recommendations for foreign aid. Today, in this short statement, I express my strong support of the provisions of the bill which insure the continuity of our foreign-aid program over a period of 5 years, and its effective financing by means of Treasury borrowing, within dollar limits fixed by the Congress.

My support of a 5-year program and long-term financing is not new. In 1955 and 1956, when I was serving as Ambassador of the United States to India, I saw then that the system of yearly appropriations limited the effective and economical use of our aid funds—large as they were. In 1956, I recommended to the Department of State that a 5-, or even a 10-year, program should be adopted, and some means of capital financing provided. And in speeches in

the Senate and throughout the country since that time, I have continued to urge long-term financing as an imperative condition toward making our foreign-aid program truly effective.

Newly developing countries with meager resources must plan the careful use of their meager funds and of the foreign assistance which may be made available to them over a period of years. This is particularly true with respect to the development of wealth-generating industrial projects upon which economic growth, employment, and production of consumer and capital goods must ultimately depend. These major projects cannot be planned or completed in a year, or 2 or 3 years, in these backward countries, just as they cannot be completed in our own country. It follows that the governments of these countries cannot plan or use with maximum effectiveness our assistance—large as it may be—because they cannot be assured that American aid will be forthcoming beyond the current year. As a result, I saw that a portion of our aid tended to drift into less-important projects, and our foreign aid personnel—already too large—grew and grew to manage these secondary projects.

I saw also that the Soviet Union aid program, with its 12- to 15-year loans at low interest rates, often was better designed to meet the needs of the developing countries, particularly in the construction of large industrial projects, than was the U.S. program.

I must say I think the term "back-door financing" is a misnomer and a diversion in this debate on foreign aid. Treasury borrowing has been accepted by the Congress since 1933, for at least 25 programs, because it is appropriate to lending programs and because the Congress likes these programs, perhaps, better than foreign aid. Examples are the Commodity Credit Corporation, for which Treasury borrowing is approved year after year for the price support and disposal of surplus agricultural products, our housing program, and the operations of the Export-Import Bank.

Treasury financing is appropriate to lending operations of the Development Loan Fund of our foreign-aid program which would make loans to the developing countries on a long-term basis, at low interest rates. In the consideration of this bill, we ought not to be diverted from the true issue by the slogan—the fictitious term—"back-door spending." The Congress should apply the same test to Treasury borrowing as a means of financing the foreign-aid program that it applies to other congressional approved programs financed by Treasury borrowing.

The true issue is clear. We must decide whether Treasury borrowing is a better means of financing our foreign-aid program than yearly appropriations. Will it make our foreign-aid program more effective? Will it insure a more economical use of our revenues? Will it be more likely to attract the aid of other industrially developed countries? And, in doing these things, will the Treasury borrowing give greater assurance that the foreign policy objectives of our foreign-aid program may be attained?

Despite all the objections made to foreign aid, it has continued since World War II—and we know that it will continue for many years. This being true, I believe it is the obligation of the Congress to provide the means to give our foreign-aid program maximum effectiveness. I believe year-to-year appropriations have not given it maximum effectiveness, and that the 5-year assurance of funds through Treasury borrowing can do so.

If we do not make this decision this year, our foreign-aid program will continue to creak along, disillusioning and disappointing our country, because it cannot develop maximum effectiveness, because it cannot be the best program for our country and for the countries we help, and because it is likely to become second-best in those countries where both the United States and the Soviet Union have aid programs.

Finally, I hope very much that the Republican Party will not accept the slogan "Back-Door Spending," and allow its attention to be diverted from the true issues involved and from the important goals of our foreign-aid program. Our party holds that it believes in the economical use of our resources. We ask often for a new initiative in our foreign policy—and foreign aid is an aspect of our foreign policy. This is the chance to use the power of the Republican Party in the Congress to move toward achievement of these aims. I point out that it was President Eisenhower and Secretary of State John Foster Dulles who, in 1957, first urged the Congress to adopt Treasury borrowing over a 3-year period, and said that it was an imperative necessity to make our foreign-aid program effective. And in that year, when the Senate voted on this plan, 35 of the 46 Republicans in the Senate supported it. Even if later withdrawn, their reasons are even more cogent and persuasive today than they were in 1957.

We owe it to the people of this country, who contribute large sums for foreign aid, to make our program truly effective. And in this day when the people of our country and free peoples throughout the world are concerned about the threat of war, the adoption of a 5-year program, with adequate and assured financing, will give notice to the world that the United States intends to pull through the Berlin crisis. It will indicate that we are creative in policy, and that we are still concerned with the necessity of assisting the developing countries to raise the standards of living of their people, because this is an important requirement of a peaceful and just world.

Mr. JAVITS. Mr. President, I commend my colleague from Kentucky, who, with his usual perception in the foreign policy field, has made some very important statements with respect to his support of the bill. I wish to add one other point with respect to my party.

We are a party of business. We should be proud of it. We should cause that to be one of the reasons we are commended to the American people.

Mr. President, for the party of business to show itself, through a majority, to be in opposition to a long-term program dealing with the fundamental financing or development of a particular country or of a particular area would indeed be an anomaly. I hope, along with the Senator from Kentucky, that the majority of the Members on this side of the aisle will be found on the side of that businesslike approach to foreign aid.

Secondly, it seems to me—and I urge my colleague from Kentucky to give this consideration—that if there is one thing to which my party should devote its attention it is the private enterprise participation in the foreign aid program, which is to this day its greatest lack.

The closest we have come to that is a billion dollars in guarantees for overseas private investment.

In terms of the enormous pool of technical and professional personnel in American business, in terms of the brains and the resources of American business and management, these things have not begun to be tied in to the foreign aid program. I should like to see my party devote its efforts to seeing that in every mission abroad there is an important component of American business—and that includes American labor and American farmers—as well as Government employees in Government service from the Foreign Service or other services. That, to my mind, would be the real way to make the foreign aid program work.

I should like to see counterpart activities in each of these countries by their own private enterprise systems, to coordinate with ours. That, and the implementation of it, would be a real mission for my party to achieve.

I cannot see how we can possibly oppose long-term financing for long-term efforts when every business tells us one needs at least a 5- or 10-year term in order to work out a long-term development program. That is what these programs are.

Mr. President, I would have hoped that private enterprise participation—and I shall have some amendments on that score as we go along—would have been one of the two big questions with respect to the bill.

Instead, we are a little bit bogged down—and I do not use that term invidiously, because I have the highest respect for the Senators involved—with the question of the so-called back-door financing.

I should like to add to what my colleague, the Senator from Kentucky, so eloquently stated, without repeating, the following point. If we are talking about congressional control, I have made a very intimate study of the bill, and I have come to the conclusion that the only thing needed is a coordinated auditing medium to gather up all of the threads which exist. The bill itself is

full of checks and balances in terms of congressional control and in terms of the authority of the Appropriations Committee to act in the most decisive way on every possible appropriation.

Mr. President, the key to everything we do is the power of the Congress, through its established Houses, without the President, to adopt a concurrent resolution to terminate any program. This is contained in section 617 of the bill. I have had experience with such a provision, because I joined in causing such a provision to be inserted into the original Marshall plan bill when I was a member of the House Committee on Foreign Affairs. I shall file a legal brief and shall be prepared to argue the question as to the validity of this kind of provision in the bill and as to its effectiveness, if we would only use it.

Second, I invite attention to the whole network of controls; through the Government Corporation Control Act, which is made applicable by section 203(b); through the Comptroller General's authority, which is made applicable by section 613(d) and section 635(f)(5); through the reports to the committees and the power of the committees to compel the production of papers and books so that they may investigate, which is made applicable by section 204, section 634(c) and section 634(d); and finally, Mr. President, through the power of the Inspector General, an official appointed by the Congress, which is continued in effect by section 642(a)(2) of the bill.

I shall be discussing these things later on in detail, but I thought, in setting the frame of reference for the struggle about this problem, it would be useful to outline the legal situation.

I close, Mr. President, upon another note. I am for, and I shall support, some coordinating committee medium. I have not as yet heard any proposal which would do the job of picking up all the threads of control and vesting them in one central authority, in terms of some congressional committee, which could then put them into action in terms of implementation by legislative recommendations to both bodies of the Congress.

This is the way to have business administration and at the same time to preserve the authority of the Congress. The other ways being proposed will only hamper us in doing what the very long-term authority proposed we should do, which is to redeem the program from the superficial basis in which it has been bogged down for years.

Mr. President, so far as Communist competition is concerned, I hope that we shall have an adequate debate on the floor in this regard. We are no longer alone in foreign aid. We face the Communists, both the Soviet Union and Red China.

Finally, let us recognize that whereas the Russian offensive is one of backing insurrections and subversion in particular countries, in the manifold ways in which they do it, and by aggression, direct and indirect, our offensive is in this very program. People talk about what we are going to do to defeat communism and to win for freedom. This is it. This is what we are going to do. This is the offensive of the United States.

Let us see, Mr. President, whether we can think in the dimensions we thought only a few minutes ago, when we voted unanimously for the armed services program, which is for defense. This program, Mr. President, is for the kind of offense we want, the kind of offense we should provide, for Mr. Khrushchev has said he will bury us. This is the kind of offense we ought to welcome, because we are the greatest business and production power the earth has ever seen.

Mr. President, I deeply feel that if we take this line our allies all will be with us, because it will be good for them not only in terms of their security, something they understand, but also in terms of their own prosperity and of the prosperity of the world. Rarely in history has a nation fighting for a cause been in the position that the weapon it employed—in our case the weapon of economics, the weapon of foreign aid—could be as productive and constructive for itself and for the cause for which it was fighting.

I thank my colleague.

Mr. MANSFIELD. 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.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. WILEY. Madam President, I was seated at lunch at 2 o'clock this afternoon with a very distinguished citizen from India when word came that I should hurry over to the Senate Chamber as I would be expected to take the floor and talk in 5 minutes.

It is now 20 minutes to 5. It all reminds me of two instances which occurred when I was chairman of the Committee on Foreign Relations. I had occasion to go to Ireland, and after discussing a matter with the Premier, Costello by name, he said in his good Irish brogue, "By the way, Senator, where did your forebears come from? I would like to know where your forebears came from."

Responding in the same brogue, I said, "You mean you want to know where me mother and me father were born."

"That's right, lad," he said "that's what I'm asking."

I said, "They were both Vikings. They were born in Norway."

"My Lord," he said, "you're 1,200 years late. 'Twas the Vikings that settled Dublin in 750."

I said, "Put it here, cousin."

That was 1,200 years late. It is not that much today. I was not late. However, the order in the Senate, as it was set up did not function as it should have.

The other instance that I have in mind is that when I came to the Senate there was a distinguished gentleman in the Senate by the name of Vandenberg. He was chairman of the Committee on Foreign Relations. Whenever he got up to speak the seats in the Senate were filled. With dignity, he would say, "Mr. President, gentlemen of the Senate, I am going to talk today. I ask that I be not interrupted. But when I am through, I shall be glad to respond to any questions."

I remember speaking to him about that. He said:

> Yes, when that occurs, anyone can take the RECORD afterward and see what I had to say. However, if you have a bunch of interruptions, you don't know who said what or what said who.

So I am following in Vandenberg's lead and the directive he laid down, when I ask that I be not interrupted by this vast audience of Senators in the Chamber. [Laughter.] When I am through, if I have agitated any gray matter, shoot.

Mr. President, I rise to take my stand in support of S. 1983, the proposed Foreign Assistance Act of 1963. May I say why? I urge my colleagues to join me in closing ranks behind the President in this critical period, for the future not only of our beloved Nation but of the whole world is at stake.

Secretary of State Rusk has again gone to Europe. Why? Well, he expects to come back with some answers. Let us hope that they are little different than the answers General McCloy gave the President. Whom is he going to see? Khrushchev. Who is Khrushchev? I will answer that question.

First, 23 years ago, when I came to the Senate, I was a noninterventionist—not an isolationist, but a noninterventionist. So was George Washington. Why? The best reason for being a noninterventionist was the European nations were always fighting among themselves, and they were so far away that it did not make any difference.

It was not long before I found out that the geography of the world had changed. With its changing came a new perspective, a new responsibility. When I came to the Senate it took days to cross the Atlantic. Now we can cross it in hours. Yes, when I came to the Senate there had not been an atomic bomb. A few years afterward that bomb exploded at Hiroshima, and it took 70,000 lives, and wounded 70,000 more. That was a baby bomb. Now we have a bomb that could destroy New York City. The Russians have the same thing.

I had before me in the Foreign Relations Committee, Secretary Rusk. I ask unanimous consent that the questions and answers which appear from page 51 to page 53 of the testimony of Secretary Rusk, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. WILEY. Mr. President, he told why it was necessary that we have this bill.

Who is Khrushchev? I will answer that question. When I came to Washington there was no Khrushchev. There

was no Communist-dominated world. That is all changed. Khrushchev is the head of that movement. He has taken into his orbit over 1 billion human lives.

Let there be no mistake about it. It is not only our friends and our allies who are waiting to see how we hold the reins of leadership which are thrust into our hands. No, Mr. President; Moscow and Peiping are avidly watching our every move—or our failure to move—as they hurl repeated challenges in our teeth.

This is not time for us to falter in the great task we have set for ourselves. We must continue and heighten our efforts to insure that liberty and human dignity will not wither and eventually vanish under the constant blows of adversaries who advance a totalitarian and inhuman view of the meaning of life.

It was an English poet who said:

> Life has meaning, and to find its meaning is my meat and drink.

It was Lincoln who recognized in time that challenge. When there was no other place to go, he went to his knees.

If we are only 15 minutes away from Russia, and Khrushchev is in control, it is time we forget the petty things. It is time we face the real issue.

The real issue is war or peace. It is true that in very recent days we have taken vitally important steps at the President's request to bolster our national defense posture. There may be those who will argue that we cannot sustain the additional expense of a large and burdensome foreign aid program.

We have heard some of that argument today on the floor. Where the very lives of our people are at stake, I submit that we can bear whatever expense we consider really necessary.

According to the official figures, the cost of the total administration's foreign aid request averages out to about $27 for each American citizen. A great many friends of mine smoke more than that in a couple of months. A heavy smoker can almost literally burn up six to eight times that amount of money in a year.

What is the purpose of the bill? I can state it without reading it. I refer to page 1 of the report, and I ask that a small part of it, consisting of two paragraphs, outlining the main purpose of the bill, be printed in the RECORD following my remarks.

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

(See exhibit 2.)

Mr. WILEY. At the same time I ask, what does the bill provide? I ask unanimous consent that there be printed at the conclusion of my remarks a portion of the report beginning at page 2 and continuing over to page 3, because it outlines definite answers to the discussions that we have heard on the floor today.

I am hurrying along, Madam President. The word "necessary" also bulks large in the perennial question as to whether our expenditures for foreign assistance are in anything like the same category of importance as our outlays for military preparedness at home.

Every President, Secretary of State, and Chairman of the Joint Chiefs over the last dozen years has urgently testified that they are. We all remember that President Eisenhower appointed to the so-called Draper Committee a number of our most talented and objective citizens—representing the professions, business, and many other walks of life—and asked them to give the foreign aid program a thorough "new look." Did they conclude that large elements of the program were unnecessary and could be slashed without impairment of the national interest? On the contrary, they strongly recommended the authorization of $400 million more than the President's request, and considered this a minimum adequate response to the situation abroad.

The fact of the matter is that our military expenditures give us one vital but basically static arm of our foreign policy. Within this defensive capability should, of course, be included roughly half the actual sums involved in the foreign assistance bill on a direct or indirect basis.

What do I mean? I mean that one-half the amount we have been discussing today is spent for military needs. As indicated by the answers of the Secretary, 80 percent of every dollar is spent in the United States. Five hundred thousand men receive employment by virtue of it. This is not a giveaway. It is, instead, a mutual assistance program. However, being prepared for war is not an answer in itself; it merely gives us the shield behind which we can develop and undertake more positive aspects of our foreign policy. Remove the nonmilitary elements of the foreign aid program and we will have destroyed the most important offensive tools at our command.

Let me stress that the Soviets and the Chinese Reds are not about to deny themselves these capabilities. Indeed, they are devoting constantly growing efforts and resources to nonmilitary programs around the globe.

Not counting military aid, and excluding all expenditures in the satellites and other Communist countries, the Sino-Soviet bloc in 1960 gave almost $1.2 billion in economic and technical assistance to 24 of the world's less developed countries. Moreover, according to our Government experts:

> On the whole, it would appear that the aid of the Communist bloc countries has been negotiated and administered with skill, speed, and sensitivity.

Other elements of the bloc offensive in the underdeveloped part of the world have shown corresponding or even greater increases. I shall point out only a few of these categories for the purposes of illustration. Soviet educational exchanges—or, more accurately, indoctrination programs—increased by 50 percent with respect to the less developed countries last year. For the same period, bloc radio broadcasts to Africa almost doubled, and comparable increases were achieved in range and effectiveness. The Communist Chinese have made a particular effort in exchanging delegations under a so-called people-to-people program; well over 550 delegations from Latin America, Africa, and Asia visited Red China in 1960.

It is alarming, but no less interesting, that the bloc has set out with such vigor to imitate programs in which the United States has been engaged for quite some time. Apparently the Communists have a higher regard for our efforts than we ourselves do in all too many cases.

We appear to have become so obsessed with an acknowledged sizable amount of waste—we hear much about that—or misdirected effort that we tend to overlook the many solid accomplishments of our foreign aid programs. It is easy enough to find in the press the evidence of a failure or a blunder. It does not seem newsworthy that through U.S. aid, for example, Liberia has doubled the yield of its upland rice; that Ecuador has brought under control the disease afflicting its bananas; or that India expects to have the problem of malaria licked by 1965. We are much too ready to sit back and indulge in excessive self-criticism.

This program is a matter of self-defense for the United States. That is not only my judgment; it is also the judgment of men like Eisenhower, like Kennedy, like our military leaders. It seems to require some sort of crisis to make us aware of the spirit of quiet confidence, idealism, and self-sacrifice which is always present in the American people, ready to be called forth in time of need.

I call attention to what has happened in 23 years. When I came to the Senate, the world was so big that it took weeks to travel around it. Now it takes a matter of only a few hours. Then we lived away off from our neighbors. Europe was far away. Not now. As I have said, missiles can reach us in 15 minutes. As for bombs, that depends on what the Kremlin can do with its submarines and its planes.

Madam President, I am no happier than any of my colleagues that we are compelled to consider this bill in the shadow of an extraordinarily menacing world situation. Indeed, I have been in Washington for too many years to have any illusions about the degree to which any administration may seek to capitalize upon such a situation. Yet I know of no remedy. As the late Senator Vandenberg wrote in 1947:

> The trouble is that these crises never reach Congress until they have developed to a point where congressional discretion is pathetically restricted.

We were asleep at the time of Pearl Harbor. We overlooked what we should have done in Korea. But in both instances, the world was big. Since then, the world has contracted, and such a tragedy must not happen again. If it does, the free nations of Europe and the Western Hemisphere may be annihilated.

Madam President, the hard fact remains that there is an entirely genuine crisis threatening world peace and the very existence of the world as we know it. We did not create the peril; it is wholly manufactured and exported by the Kremlin. Yet we have no choice but

to confront it with the confident determination and strength of freemen, or we shall not remain freemen much longer.

I do not argue that we must accept the bill as it stands after committee action. On the contrary, it is an essential feature of the Vandenberg definition of bipartisanship in foreign policy that there be full and free debate of any and all issues of great importance to the Nation.

The committee adopted the bill. I voted for the 2-year extension. I voted for the 3-year extension. When neither of them could be obtained, I voted for the 5-year extension. I feel it is more important that we not lose our heads by arguing over a situation in which we may lose our liberty.

Let me say that I felt no such restraint in committee. Nor shall I hesitate to vote as my conscience directs as we consider amendments on the floor of the Senate. In this connection, I am proud that during committee consideration of S. 1983, I took the initiative in restoring to the bill the full statement of policy which had both been hammered out and tested by the previous administration, and accepted by the present one. Embodied in that statement are found some of the most profound and historic truths to which this great country has always adhered. Under no circumstances could I have sat silent while a truncated and inelegant version was substituted for fundamental statements of principle.

My vote in favor of the long-term lending authority was entirely consistent with a refusal to change convictions to match a change in administrations. I agreed with the necessity for this provision when it was requested by President Eisenhower, and I am willing to comply, now that it has been sought by President Kennedy. For I know full well that much of the success of Soviet economic assistance is derived from the Kremlin's ability to employ long-term credits and to plan for the long-range future. On the other hand, I saw nothing sacrosanct about any particular level of loan funds and voted—unsuccessfully as it happened—to eliminate the extra $300 million annually which seemed to have been hiding under another guise.

No, Madam President, I do not ask for any restraint on our historic right to contest any and all items in the bill before us. I do ask that we submerge our dissatisfactions and our differences when we reach the vote on final passage of S. 1983. Let us tell the Kremlin with one voice that our country stands ready to fulfill its global responsibilities; that it will never be deterred from its duty by the fulminations of the tyrant and the bully.

I have had a number of communications suggesting that we cut out what has been called foreign aid. In a sense, it is American aid, as I have already stated.

It aids America. It is one of the great deterrents in our defense.

Everything we do is designed to stop rocking the boat. Please realize, of course, that the big issue is war or peace. If we were to cut out foreign aid now or mutual assistance, as it has been called, it would be the "go ahead" sign to Khrushchev.

It is well for us to analyze just what we mean by foreign aid. In one of my letters, in response to a criticism of the program, I wrote as follows:

> You are aware, of course, that (1) most of the funds go directly for military defense; (2) that a substantial portion of the funds are spent right here in this country; (3) that, in addition to strengthening our defense, an estimated half-million jobs are created for American workers; and (4) unless the program is continued, the overall defense of the Western World will be seriously jeopardized.

We recognize, of course, that there have been mistakes in handling the program, as well as shortcomings in the program itself.

Of course, Madam President, we cannot ignore mistakes. Because of this, Congress can—and must—turn a microscopic eye on the proposals. Overall efforts are needed to: First, weed out unnecessary provisions; second, clarify objectives; third, sharpen up the administrative machinery; fourth, eliminate waste, duplication, and the undertaking of unnecessary projects; fifth, imbue its administrators with a greater sense of responsibility to the Congress and to the American taxpayer; and make other efforts to assure that the program serves our national interests.

In my judgment, then, the facts of life in 1961 do not permit an abrogation of our responsibility for free world leadership. Why? Here are some additional factors that I believe warrant consideration:

First. The Communist bloc—the greatest threat to freedom in history—strongly adheres to its oft-stated goals of world conquest. Mobilized for this objective, its military, economic, cultural, social, ideological programs have one target: That of surpassing and burying the free world.

Second. The Red manpower in their military forces substantially exceeds that of the free world.

Third. The Soviet Union and Red China are engaging in a broader propaganda campaign than the West.

Fourth. Conducting a global espionage, sabotage, and subversion ring, the Communists have an estimated 36 million conspirators operating in about 86 countries. Their aim is to take over these nations. This Red army of conspirators represents a threat equal to—if not greater than—the military power of an ever-threatening nuclear war.

In view of these and other threatening factors, it is essential that we maintain a strong alliance for free world security.

Madam President, as I have already said, Secretary Rusk has left for Europe. We hope he will return with good news.

As Premier Khrushchev finds himself at six's and seven's, as we know he does, with Mao Tse-tung and Marshal Tito, let us hope that situation will not cause him to apply the old maxim of Napoleon—namely, that for domestic troubles, the cure is foreign war.

Someone has said that Khrushchev is afraid of the splintering effect on communism of Tito's rightiest government, on the one hand, and of Mao Tse-tung's leftist government, on the other. Is this Khrushchev's reason for being on the Berlin warpath? Madam President, I do not know; I cannot look into the mind of that leader of the great, dynamic, evil movement called communism. How serious he is about Berlin is almost anyone's guess.

But we have definitely stated that we are in earnest about protecting the freedoms of the people of West Berlin; and the action taken by Congress in the last few days confirms the fact that once again American unity is in the saddle in relation to foreign policy. Congress has voted all that the Chief Executive has asked; we are one in the defense of America.

Madam President, I was much interested to read an article entitled "Behind the Berlin Crisis." The article was written by Roscoe Drummond; and I ask unanimous consent that it be printed in the RECORD following my remarks.

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

(See exhibit 4.)

Mr. WILEY. Madam President, in the article Mr. Drummond asks—

> Question. Isn't there so much news coming out of Washington about the "military buildup" that it gives the impression that the United States looks upon force as the only response?
>
> Answer. The military buildup is the essential first phase of the American reply to the crisis.

Mr. Drummond also writes:

> Question. What is there to negotiate?
>
> Answer. The Soviets propose to make a treaty recognizing the "independence" of the East Zone Communist government which is entirely under Moscow domination. This is like making a treaty with yourself. Mr. K. contends that a Soviet peace treaty with East Germany will cancel Western rights in West Berlin and that thereafter the existence of these rights will depend upon the wishes of the East German Government.

His next question:

> Question. What is Mr. K. really after?
>
> Answer. The Soviets say they want and will respect West Berlin as a "free city."

Madam President, all of us know from past experience that we cannot trust the Communists.

Mr. Drummond's next question:

> Question: Might the Berlin crisis bring on war?
>
> Answer. The Berlin crisis is deadly serious and uncertain. War could come, but the highest officials of the Government do not believe that Mr. Khrushchev intends to risk war and that the best way to preserve the peace is to make sure that the Kremlin understands that it cannot have its way by threatening war. That is the reason for the United States and NATO military alert.

Madam President, today the chairman of the Foreign Relations Committee read into the RECORD certain matters. On page 10 of the committee's report on the Foreign Assistance Act of 1961 appears a list showing the agencies which have received so-called back-door financing—a large group. I ask that the

list be printed in the RECORD following my remarks.

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

(See exhibit 5.)

Mr. WILEY. Madam President, I also ask unanimous consent to have printed in the RECORD a statement showing the amount of foreign aid funds spent in the State of Wisconsin between 1954 and 1960. It amounts to approximately $20 million.

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

(See exhibit 6.)

Mr. WILEY. Madam President, I have consumed some 20 minutes. I thank the Chair very much.

EXHIBIT 1

STATEMENT BY THE HONORABLE ALEXANDER WILEY, OF WISCONSIN

The CHAIRMAN. The Senator from Wisconsin.

Senator WILEY. I wanted to say that I appreciated your statement very much, sir.

The matter of foreign aid, I believe, will have to be resold to the American people, because of the sort of misrepresentations and articles that the chairman referred to.

My mail indicates clearly that people have an idea that foreign aid doesn't result in any domestic aid. Your own statement makes it very clear that the purpose of foreign aid is, as far as possible, to build allies and keep us out of a third world war. Am I right in that respect?

Secretary RUSK. It is one of the great efforts toward peace in which we can engage.

Senator WILEY. I think there is another sales job that needs to be made. The American people must not only understand the details of foreign aid, but also what it does for them. How much money do you expect to spend the first year in foreign aid?

Secretary RUSK. You mean under this program?

Senator WILEY. Yes.

Secretary RUSK. $1,690 million plus the $900 million borrowing authority is the new obligational authority we are asking for.

Senator WILEY. Will we have a sheet telling us how much is going into country X, Y, and Z?

Secretary RUSK. Yes, sir; that is worked out in the total detail that will be presented in executive session.

FOREIGN AID FUNDS SPENT FOR GOODS AND SERVICES IN THE UNITED STATES

Senator WILEY. I think it is all important to show that a great deal of the foreign aid will create jobs in this country if we make what other countries need and that we will have employment resulting therefrom. Am I right in that respect?

Secretary RUSK. A very large portion of foreign aid funds will be spent for goods and services originating in this country.

Senator WILEY. Do you have the figures on that? What percentage of the total that you have just given us is that?

Secretary RUSK. Under the programs as presently designed, actually these expenditures will be almost 100 percent except for salaries spent overseas.

Senator WILEY. I didn't hear that.

Secretary RUSK. It would be almost 100 percent except for salaries to people overseas in terms of expenditures. This would be an original expenditure of 80 percent in this country beginning now, let us say, and another 10 percent spent back here in this country shortly thereafter.

So somewhere between 90 and 100 percent—90 percent in terms of goods and services spent in this country.

Senator WILEY. Have you any estimate as to the number of jobs that that would create?

Secretary RUSK. A study has been made on that, sir. I don't have those figures immediately at my fingertips.

USE OF SURPLUS OF COMMODITIES

Senator WILEY. There is another thing I think that the American public should be informed on, and that is that a considerable part of our foreign aid will be in the form of surplus farm products; is that right?

Secretary RUSK. Yes.

Senator WILEY. How much surplus commodities in terms of dollars will we send?

Secretary RUSK. The proposed authorization under Public Law 480 establishes a $2.5 billion limit on the level of sales agreements in any calendar year. We anticipate that about $1.7 billion at CCC costs and approximately $1.2 billion in U.S. export market costs would be distributed in fiscal year 1962 under title I sales of this program.

JOBS CREATED BY FOREIGN AID

Senator WILEY. Did you give me the figures of how many will be employed in America as a result of the program?

Secretary RUSK. I am informed that some years ago in a study, which I do not have at my fingertips, that it was estimated that some 750,000 jobs would result from the foreign aid program. That would have to be recalculated, I suppose, at the present time.

(The information referred to is as follows:)

"The only available estimate of the number of employees whose work is attributable to the foreign aid program is that of the National Planning Association which in 1957 conducted a study of the relationship of the foreign aid program to the U.S. economy. The association reported that approximately 530,000 persons were directly or indirectly employed in providing goods and services for the foreign aid program. In addition, an estimated 184,000 workers were employed in producing, processing, and transporting that portion of the surplus agricultural commodities and military hardware abroad under our aid programs. Thus, the association concluded, total foreign aid expenditures, including surplus shipments, accounted for 715,000 jobs in 1957."

Senator WILEY. If that many are employed, that makes a contribution to the economic health of this country, does it not?

Secretary RUSK. Yes.

Senator WILEY. Did I understand you to say that all except 10 percent of the funds would be spent in this country?

Secretary RUSK. That is the present estimate.

BREAKDOWN OF COUNTRY FIGURES

Senator WILEY. Will you give us a statement for the record showing the estimated breakdown of what you expect to spend by country for the first, second, and third year?

Secretary RUSK. We will submit that for the record, sir, for the 3-year period. I am not sure that we have the estimates on the third year, but we can give you the best we have.

(The information referred to is as follows:)

"We expect that our lending programs will total $1.2 billion in fiscal year 1962 (including $300 million in loan repayments); $1.9 billion in fiscal years 1963 and 1964.

"It is not possible to break out these programs in advance by geographic area at this time. However, it is known that for fiscal year 1962, India, Pakistan, and Brazil will account for a very large share of the development lending. In executive sessions on Thursday and Friday, we will be prepared to go into further detail on the individual country eligibility for development loans."

BENEFITS OF PROGRAM

Senator WILEY. Is it a matter of history that the Marshall plan has practically resulted in the recovery of our allies, like Britain, France, and others and they are economically sound again?

Secretary RUSK. This is one of the most far-reaching facts of the history of the postwar world, yes.

Senator WILEY. Is it also believed that the aid that we have given in the past has resulted in keeping us out of a third world war?

Secretary RUSK. It has helped a great deal in building a world community which is moving toward a peaceful society, working through such organizations as the United Nations. Had the disorders which followed World War II been continued indefinitely without massive help from us, we could easily have been in world war III by this time and had these newly independent countries not been given some chance in many cases to get off the ground and start their forward movement in economic and social development, I think the disorders and the unrest might easily have drawn us into a war.

Senator WILEY. I hope I can be here Tuesday when you come back. This morning I have three subcommittees meeting at the same hour. I want to go into executive session with you on specific territories and ask some questions that I don't care to ask publicly and that I think are very pertinent. I feel if there is anything that needs to be done it is to make the American people aware of what you have testified to this morning—first, your statement, which I think is a very brilliant statement of the reasons for foreign aid; and secondly, your replies to my questioning showing that the foreign aid is really domestic aid, insofar as America is concerned. It has been keeping us out of war, keeping the economy healthy, keeping men employed, keeping industry busy and keeping the farm products going out. All of those things, in my opinion, are arguments in favor of this program that you are now presenting.

Thank you, Mr. Chairman.

EXHIBIT 2

MAIN PURPOSE OF THE BILL

The main purpose of the bill is to give vigor, purpose, and new direction to the foreign aid program. Thus, the stress of the program is shifted to development loans repayable on manageable terms and conditions but in dollars. Long-term financing becomes available to the new aid agency, a simpler structure which will include the Development Loan Fund and the International Cooperation Administration. Less emphasis is placed on and fewer funds are granted to direct support programs. Self-help and long-term development planning are now the chief criteria against which the bulk of economic aid is programed.

Funds for categories of economic and technical assistance other than the contingency fund, are authorized to be made available until expended. The same is true of military assistance. This means that unused funds in these categories are carried over into another fiscal year instead of automatically returning to the Treasury. The bill, in short, stresses orderly economic growth and gives continuity to the programs that will encourage and sustain much of this growth.

EXHIBIT 3

In addition, the bill contains these major provisions:

1. It repeals and supersedes the Mutual Security Act of 1954, as amended.

2. It authorizes funds that will remain available until expended for development

grants, supporting assistance, investment surveys, international organizations and programs, and military assistance that will remain available until expended. The primary purpose of providing this kind of authority is to discourage the practice of hastily obligating funds near the end of the fiscal year in order to place aid administrators in a stronger position to seek further appropriations.

3. The development loan program is given long-term financing with authority to borrow up to $1.187 billion from the Treasury in fiscal year 1962 and $1.9 billion in each of the following 4 fiscal years.

4. The military assistance program is given a 2-year authorization at the level of $1.8 billion a year.

5. The President is authorized to draw on up to $200 million of existing Department of Defense stocks for the military assistance program.

6. The sum of $5 million is authorized for the purpose of encouraging surveys of investment opportunities by private interests (title IV). This is a new authorization.

7. Authority is provided to carry out programs of development research into various problems of economic and social development (title V). This is a new authorization.

8. Technical cooperation programs are continued, but within the framework of a new category, development grants, which will emphasize the development of human resources and the institutions necessary to social and economic development.

9. Authority is provided to continue issuing investment guarantees up to $1 billion total face value. Also, in special situations the President may issue guarantees against a portion of loss due to any risks not otherwise insurable. The authority for guaranteeing risks of this character is limited to $100 million.

10. The aid program is reorganized. A new aid agency will be established within the Department of State. The International Cooperation Administration is eliminated, and the Development Loan Fund in a new form is to become a part of the new agency. Provision is also made for improved administrative and personnel practices.

11. There is provided a $5 million revolving fund for the procurement of excess Government property that can be utilized by the aid program.

EXHIBIT 4

BEHIND THE BERLIN CRISIS

(By Roscoe Drummond)

WASHINGTON.—Here are answers to the questions most frequently asked a Washington correspondent about the Berlin crisis:

Question. Isn't there so much news coming out of Washington about the "military buildup" that it gives the impression that the United States looks upon force as the only response?

Answer. The military buildup is the essential first phase of the American reply to the crisis. It is the necessary prelude to having any chance of useful negotiation. The United States must negotiate from strength if it is to negotiate successfully. The United States must demonstrate its strength and its firmness if it expects Britain, France, and our North Atlantic Treaty Organization allies to do the same.

American officials believe that Premier Nikita S. Khrushchev has been assuming we would not have either the strength or the stamina to resist his objective of getting West Berlin under Communist rule.

The first phase of our response had to center upon disabusing Mr. Khrushchev of the false premise that he could bluster and blackmail the West into appeasement.

Question. What next?

Answer. The United States is willing and expects to undertake four-power negotiations with the Soviets with respect to Berlin. The American, British, and French Foreign Ministers will concert their ideas at a conference in Paris in early August and will consult with Bonn. If the Soviets want to negotiate, the West will be ready and willing.

Question. What Western rights are at stake in the Berlin matter and how did the West acquire these rights?

Answer. Western rights in West Berlin do not come from the Soviet Union and cannot be unilaterally extinguished by the Soviet Union. There are three central "rights":

The freedom of the 2,225,000 people of West Berlin whom we have pledged to protect.

The right of these people to a government of their own choosing.

Full allied access to West Berlin along air, rail, and road routes accepted by all four powers at the end of the war and reaffirmed in the agreement which ended the Soviet blockade in 1949.

The West's rights in Berlin stem from the defeat of Nazi Germany. It was the original hope that Berlin would be governed as one unified city by the four powers and ultimately be a part of a unified Germany. When the Soviet Union put its zone in East Berlin under Communist rule and, in effect, made it part of its East Zone Communist regime, the four-power government of Berlin broke down and West Berlin has been supervised by the three allies.

The Soviet Union's rights in East Berlin were not given it by the West, and Western rights were not given to America, Britain, and France by the Soviet Union. This is why the Soviet Union has no title to extinguish those rights.

West Berlin, though surrounded by East Zone territory, does not stand on East German soil. It stands on its own soil as prescribed in the occupation statute which was signed by the four powers.

Question. What is there to negotiate?

Answer. The Soviets propose to make a treaty recognizing the independence of the East Zone Communist government which is entirely under Moscow domination. This is like making a treaty with yourself. Mr. K. contends that a Soviet peace treaty with East Germany will cancel Western rights in West Berlin and that thereafter the existence of these rights will depend upon the wishes of the East German government.

The allies refuse to accept the proposition that any action by the Soviet Union can affect Western rights since these rights did not come from the Soviet Union. They came from the defeat of Germany and are confirmed in agreements with the Soviet Union even as Soviet rights in East Berlin were confirmed in agreements with the West. Now Mr. Khrushchev proposes that the Communists retain their rights in East Berlin and that the West give up its rights in West Berlin.

The West will not do so. The West will not renege on its moral and political obligation to defend the freedom of the people of West Berlin. But it will negotiate how these rights can more smoothly, more harmoniously, more effectively, more prudently be safeguarded and utilized.

Question. What is Mr. K. really after?

Answer. The Soviets say they want and will respect West Berlin as a free city. That's not a reliable guarantee as Hungary, Poland, Rumania, Albania, Czechoslovakia, Latvia, Lithuania, and Estonia have found out to their sorrow.

Moscow had treaties of nonaggression with these countries. At Yalta, the Soviets promised free elections so these countries could have governments of their own choice. The Soviet Union took over all of these countries and so when Mr. Khrushchev promises to respect Berlin as a free city, we have to realize that he is playing with words.

In more candor, Mr. Khrushchev has described West Berlin as a bone in my throat. If West Berlin—prosperous, democratic, a radiant oasis of liberty which attracts 4,000 to 5,000 of fleeing East Germans weekly—is a bone in Mr. Khrushchev's throat, he will hardly be removing it by making Berlin a truly free city. It is more realistic to assume that he means to pluck it out—if possible.

Question. Might the Berlin crisis bring on war?

Answer. The Berlin crisis is deadly serious and uncertain. War could come, but the highest officials of the Government do not believe that Mr. Khrushchev intends to risk war and that the best way to preserve the peace is to make sure that the Kremlin understands that it cannot have its way by threatening war. That is the reason for the United States and NATO military alert.

EXHIBIT 5

Reconstruction Finance Corporation.
Commodity Credit Corporation.
Defense Production Act of 1950.
Export-Import Bank of Washington.
Federal Deposit Insurance Corporation.
Farmers Home Administration.
St. Lawrence Seaway Development Corporation.
Federal home loan banks.
Federal National Mortgage Association.
Housing and Home Finance Administration.
Federal Savings and Loan Insurance Fund.
Rural Electrification Administration.
Federal Ship Mortgage Insurance Fund.
Federal Civil Defense Act of 1950.
Small Business Administration.
Informational Media Guaranty Fund.
Veterans direct loan program.
Investment guaranty program.
Panama Canal.
Virgin Islands Corporation.
District of Columbia.
Helium Act, as amended.
Area Redevelopment Act of 1961.
Tennessee Valley Authority.

EXHIBIT 6

WISCONSIN

Total, January 1954–June 1960

City:	
Appleton	$1,741
Baraboo	13,874
Belgium	6,891
Beloit	184,493
Burlington	2,640
Clintonville	532,671
Eau Claire	137,967
Edgerton	22,621
Fond du Lac	502,464
Fort Atkinson	11,520
Green Bay	2,335
Janesville	56,940
Kenosha	1,860,792
Kohler	114,326
La Crosse	392,745
Madison	246,251
Manitowoc	1,621
Marinette	18,972
Milton	362
Milwaukee	11,834,485
Oshkosh	552,544
Port Washington	1,855
Racine	3,347,227
Rothschild	2,710
Sheboygan	12,700
Superior	2,181
Waukesha	42,174
West Allis	38,726
West Bend	38,552
Total, Wisconsin	19,984,380

Mr. MANSFIELD. Madam President, I wish to compliment the distinguished

Senator from Wisconsin, the ranking minority member of the Foreign Relations Committee. As always, he has shown great courage and great understanding, regardless of which administration is in power; and I want him to know that I am deeply appreciative because of the understanding he has shown and the statesmanlike attitude which has consistently been his, both as chairman of the Foreign Relations Committee and as its ranking minority member.

Mr. WILEY. Madam President, permit me to express my appreciation. After all, if there is anything a Republican likes to have from a Democrat, it is more appreciation. [Laughter.]

Mr. CASE of South Dakota. Madam President, I would not want Democratic Senators to be the only ones to express appreciation of the dynamic speech delivered by the Senator from Wisconsin. Of course I do not always agree with everything that is said on the floor of the Senate; but I heartily congratulate the Senator from Wisconsin on his vigorous presentation and on his firmness in presenting an American viewpoint.

Mr. WILEY. Madam President, let me also express my appreciation to the distinguished Senator from South Dakota. It is most encouraging to one who refuses to speak a great deal in the Senate Chamber to get his message across at a time when the attendance is so large.

Mr. JOHNSTON. Madam President, for nearly 17 years we have poured money out hand over fist to the four corners of the world to try to stop communism and preserve the peace, and today we find ourselves in the same fix we would have been in if we had never spent one nickel on foreign aid—we must stand prepared to fight for freedom as men have had to do ever since history has been recorded. We cannot buy freedom with money, and for this reason during my 17 years in the Senate I have always opposed foreign aid programs.

Back in 1950, one of the issues raised against me in my campaign for reelection to the U.S. Senate was my opposition to the original of all foreign aid programs. I can remember when I was the only Member of the U.S. Senate standing against such programs, but today the picture is different.

There are many other Members of the Congress and the Senate who are opposing foreign aid, and proponents of this latest long-range foreign giveaway project are reported to be in a position to compromise on some of the more objectionable features of the bill.

I am pleased to see this change in outlook by some of the Members. I think if they will only consider this proposed bill with me for a while, they will come to agree that there is nothing in it which is not objectionable and vote to kill it.

Through the years there have been many labels applied to the various and sundry foreign aid projects pushed through the Congress. They have been called the Marshall plan, the economic recovery program, mutual security, international cooperation, and a multitude of other slang titles applied by the newspaper writers. None of these names has ever fooled me, for each and every one of these projects has been nothing but a giveaway bill amounting to nothing less than a gigantic handout.

When I first opposed these programs I opposed them on what I believed to be sound reasons, such as the age-old theory that we cannot buy friends with money, and that when we give money away to friends you create enemies and stir up jealousies. In the zeal of their campaign to buy world friendship through our purse strings, proponents of foreign aid waved aside every time-honored logical reason against the program.

The belief that money talks ruled the temperament of administrations and Congress. As a result, our foreign policymakers have sat back in a state of lethargy, leaving it up to all this money to do our talking for us. Today we are reaping the harvest of threats, coercions, and Communist aggressions and advancements on all fronts in the world.

I think it is imperative, before the Congress votes on the pending foreign aid bill, that we look at the failures and shortcomings of what has gone before. There is nothing like a little history to teach us the errors of our ways.

In the first place, there has been too little control and too few strings attached to these handouts. The money, once it has left our country, has been allocated in all directions into practically every kind of program in the world except what the American people thought it would be used for when it left their hands. We know from investigations, newspaper reports, committee hearings, and by other means, that in most of the countries the net result of these giveaways has been to make the rich richer and the poor poorer. It has magnified classism in nations, leaving the ruling class to benefit from our foreign aid money and the poorer class to drift aimlessly into the hands of Communist propaganda.

One beautiful example of this messy creation of ours can be found in Korea where the people themselves have risen up in revolt against the ruling class because of the ineffective handling of foreign funds and because of corruption which developed in the ruling class as a result of our foreign aid program.

It is true that the Communists have not taken over in South Korea, but I would dare to say that the morale of the South Korean nation is at a lower point today as a result of our foreign aid than it was before we started it. If war were to develop in Korea, I doubt seriously if South Korean forces would last long and American forces would once again have to intervene and do the fighting. That being the case, I do not see where foreign aid has done any good in this country.

As further testimony against more foreign aid, we have only to look to the statement of Maj. Gen. You Sang Hoo. Arriving in Los Angeles last month on a good-will tour, he said of our foreign aid program:

> You poured water in a bucket that has many holes.

He said the aid was wasted because of corruption and charged that the military junta took over in Korea because of this corruption. In addition, he charged that the previous cabinet, which is now under arrest, had established direct connections with North Korean Communist agents. What further proof do we need of the complete failure of our foreign aid than this?

In the case of Laos, another recipient country of our foreign aid, the same situation holds true. We have poured over $300 million into that country of over 2 million people, and today its military machine is on the verge of collapse in the face of Communist guerrilla forces. In June 1959, before many Americans aside from the foreign aid program people, had heard of Laos, I warned that we were pouring money down a rathole in that country. I pointed out that we were sustaining the entire military budget of that nation.

We were paying the salaries of the soldiers, paying for their food, their clothing, and their military equipment.

At that time, even though we were completely sustaining that nation's 25,000-man army, the military leadership in Laos adamantly refused to take the military advice given them by our advisers who were on the scene handling the foreign-aid program. Obviously, the money was not used wisely, and today we see the consequences.

Let me read to the Senate what I said in 1959, long before the Lao crisis erupted. This is a direct quotation from the CONGRESSIONAL RECORD:

> Mr. President, I charge that a 25,000-man army in Laos could not hold back a single attack from the Red Chinese hordes if they ever decide to go into that country, and certainly a 25,000-man army against 600 million people is not frightening anybody from making such an invasion. The truth is that all this money for military and economic assistance has accomplished little or nothing in Laos or any other southeast Asian country, and I doubt if it has in any foreign country.

Madam President, this is one of the saddest "I told you so" stories I have ever had to recite. Regrettably, it is not the only one, and probably will not be the last. Today, to the embarrassment of us all, we face the same situation elsewhere.

Let me call to your attention a statement I issued to the press in response to Pakistan President Ayub Khan's recent message to Congress. I warned that his words amounted to no more than a threat of intimidation. He was giving us a subtle ultimatum—either we pay his country millions of dollars to embrace democracy or he would turn to communism. The Pakistan President was telling us in no uncertain terms that when the money runs out so does the friendship.

At this very moment, the same ultimatum is being hurled in our faces. Instead of the Pakistan President, it is the Tunisian Government that is threatening to seek Russian aid in the clash over Bizerte. It all amounts to a case of blackmail to turn the United States against France. The words of Tunisian Ambassador Habib Bourguiba as he left

the conference table with Secretary of State Dean Rusk are practically identical to those of the Pakistan President. His words were:

I suggest the free world act now before another world does.

Need I say more about "I told you so's"? Here is a case of our foreign aid in action. It took barely 2 weeks for another country to issue its ultimatum to the United States.

If the United States is going to permit itself to surrender to this kind of blackmail, then it might just as well hand over its position as leader of the free world.

There is no question but that we have been on the wrong foreign-policy track too long. The right track is the one that the President outlined in his address to the Nation on the Berlin crisis. We must spend this money to build up our own military defenses and to stand as guardian for these nations if we intend to save them from communism. We cannot do it with dollars alone, as money will never create "free" nations. There is no price tag for democracy. It cannot be bought; it must be won through suffering, perseverance, and brotherly love. The longer we attempt to buy democracy for others, the longer we will end up at the conference table giving away something.

We have lost half of Korea at the conference table; we lost half of Vietnam at the conference table; we are losing half of Laos at the conference table. We have lost Cuba right under our noses, and despite warnings from me and other responsible people who knew that Castro was tied in with the Communist elements, but whose voices were drowned out by the liberal press and the foreign aid one-world theorists in the State Department. We have lost ground in Africa and we have lost ground in the Near East.

Despite the nearly $90 billion which has been spent in all forms of foreign aid over the past 15 years—and this includes money in the pipelines—we have not gained 1 single inch of territory for freedom. We have not saved a single soul from communism. To the contrary, communism has gobbled up millions of people and millions of square miles of territory.

There is only one answer to communism and it is not the dollar diplomacy of our foreign aid programs. It is strength, a show of force, and the resoluteness to follow through and show the world that we mean what we say when we state our position or make our stand. As I told the U.S. Senate in 1959, when Khrushchev was planning to come to America on his so-called good-will tour:

Khrushchev is swayed by power, not reason.

Madam President, when we go to the conference table we attempt to use reason. Similarly, when we embark on foreign aid programs we attempt to use reason. The reasoning in foreign aid stems from the theory that we are doing something nice and good for someone or some country and therefore that country is naturally going to want to be like us. The Communists are not sitting idly by doing nothing while we are throwing away money. The Communists are at work night and day spending their money on military might, threats, and propaganda. This, to some underprivileged nation sitting just across the street from the Russian Kremlin, has more effect than our dollar diplomacy.

When our dollars are spent, those nations still will be sitting there with the same situation facing them. Let us consider what Russia has done in Cuba if we wish to see how the Communists work. Russia gives Mr. Castro planes, ships, guns, tanks. Mr. Castro gives Mr. Khrushchev sugar. The United States sent foreign aid to Cuba, but what good did it do?

The completely idiotic aspect of the whole program can be summed up in the $52 million in foreign aid money which we have given Cuba since 1945. I ask the advocates of foreign aid are we getting $52 million worth of cooperation and mutual security from Cuba? I do not hear the advocates of foreign aid saying too much about that these days. I simply cannot for the life of me understand such reasoning. The only thing we have received from Cuba for having given them $52 million has been the seizure of every penny's worth of private property owned by Americans in that nation. They have robbed our people of all private property, they have coerced our citizens, jailed some, and even executed some. They have confiscated property valued at approximately $1,500 million.

I know immediately the advocates of foreign aid will say, "but most of our foreign aid assistance to Cuba came before Castro." This may be true, and if it is, it simply underscores the futility of foreign aid. Our dollars appear to have bought us nothing more than a cigar-smoking, carbon copy of Khrushchev.

However, it is even more difficult to explain the 1959 and 1960 foreign aid funds given to Cuba as found in the ICA Office of Statistics and Reports report dated March 31, 1961. It shows that Communist Cuba has received approximately $1.9 million in assistance of various kinds since Castro took over. This, to me is the height of mismanagement and certainly is an insult to the taxpayers of America, who must dig up out of their pockets not only to repay this money but also to pay interest upon it, I daresay until our grandchildren die—money which we had to borrow. How many Americans will have to pay income taxes in order to repay the almost $2 million which has been sucked down the Cuban Communist drain? Every American taxpayer and certainly every U.S. Senator before he votes on this preposterous foreign aid bill should understand that the money we sent to Cuba to build democracy has constructed a Communist stronghold which is kicking us in the rear end every time we turn around.

Even so, I daresay there are some daydreamers down in the State Department planning right now to rush down to Havana with more aid, if not directly, then through the United Nations.

Consider Japan. I do not think anyone can and prove to me that our foreign aid has brought us any tremendous friendship and alliance with Japan. This, at least, was the argument used by the State Department for years against halting the importation of Japanese textile goods to this country. This was a form of foreign aid, in addition to all our other projects of help to that nation. When our President wanted to go to Japan last year on a good will visit, the Japanese Government was so weak it could not prevent a Communist-led mob from stirring up so much disapproval throughout Japan that our President had to cancel his trip. That was the thanks we received for having invested millions of dollars in foreign aid, rehabilitation funds, food, clothing, and so forth, in Japan. It makes no difference that Communist mobs stirred up the violence; it simply points up the failure of foreign aid. All told, latest figures indicate we pumped $3,462 million into Japan, in rehabilitating her industries and pump priming her commerce and economic posture. As one on-the-scene correspondent testified before the Foreign Relations Committee, regarding our foreign aid operations in Japan, we were taken for suckers.

I wonder whether any one of the sponsors of the foreign aid bill can tell me to what lengths and to what extent the Japanese people, the Japanese military, and the Japanese Government would go to defend the United States, should we be unilaterally attacked by Russia. Would we receive $3,462 million worth of support, or would Communist mobs disrupt the function of the Japanese Government, tie up its ports, and prevent her from even giving us token support?

Let us look at another ridiculous aspect of this foreign aid program in relation to our domestic economy. The United States Government bought from foreign producers, through the foreign aid program, 62 percent of all its textile needs. This represented in that year alone $16 million worth of textile goods purchased on the foreign market.

Madam President, think of what a $16 million purchase placed with the domestic American textile producers would do for our textile industry, which has been threatened with extermination by foreign competition. We sent the money and technical assistance, through foreign aid programs, to Japan and other nations, to build up their textile industries. They have no depreciation allowance problems; they buy the cotton off the American market at prices lower than those at which the American textile manufacturers can buy it; and they use the cheapest labor in the world to compete unfairly with our industries and workers. This is bad enough, but to have our Federal Government purchase more than one-half of all its needs in this field from foreign mills is horrifying.

If this keeps up and if our domestic textile industry goes broke and stops producing—as one stupid spokesman in the State Department has implied should happen—where will the American Government purchase textile goods in case of war? If we suddenly have to have 5 million uniforms for our soldiers, are we going to depend on the Japanese textile industry? If our President could not visit Japan in time of peace because of Communist riots, how can we expect to obtain permanent delivery of military

clothing in time of war? I presume the State Department officials who say the American textile program can be sacrificed under our foreign aid program have some secret way to keep the Japanese mills running for us during war, and to get the goods back to us, over thousands of miles of open Pacific Ocean, without having the ships sent to the bottom.

Madam President, it should be remembered that Japan had no textile industry after World War II. The United States at that time was the world's largest and foremost producer and exporter of textiles. In the brief span of 15 years, without machinery, our money, our technical know-how, our markets, and our cotton, Japan has become the world's largest single textile manufacturer and exporter. This is foreign aid, all right; but I fail to see what good it is doing for America or for peace.

In my opinion, our foreign aid program has accomplished for the Japanese one thing which armies and navies could not do in World War II—namely, the capture of our textile markets throughout the world.

All this points up a side of this foreign aid program which in my opinion is even more important than its ineffectiveness abroad. This is the ill effect which foreign aid is having on our own economy. In the first place, it should be pointed out that ever since foreign aid programs were conceived, they have continued to grow. We have become involved in responsibilities we can never discharge or complete. If we spend a dollar this year, next year we shall need $2 to carry it on, and the following year we shall need $3 to complete it, and so on. The appropriations and demands keep multiplying. It is an endless treadmill for the American taxpayer. Throughout it all, no thought is being given to what the program is doing to the poor taxpayer and to the Nation's economy.

Madam President, if we had all this money to spare, so that we were free to give it away, and did not have to tax our people for it, that would be different. But these funds are obtained only by taxing the American people; and the tax burdens we must therefore impose on them may continue for 100 years.

Our foreign aid program has been one of the most carelessly operated programs in the history of our Nation. Never have so few wasted so much on so little in such a short time. Ninety billion dollars have been thrown down the drain in 15 years by a small army of bureaucrats whose sole design in connection with most of the program has been to create a never-ending operation which will perpetuate them in office forever.

Many times more consideration is given to stretching out the job and the work than is given to whether the program is needed or is doing any good. Paved highways have been built through jungle territory, where the people have never seen a car, and aircraft have been given to nations who have no airports on which to land them. There is even the historical record of a huge hydroelectric power dam built in a land where the people did not want it and could not use the power it generated. The list is long of failures, mismanagements, and ridiculous situations perpetrated on the American taxpayers by this monumental fraud called mutual security.

In many of the nations where we have poured millions upon millions of dollars, the entire population is completely ignorant of the fact that one penny, one piece of equipment, one mouthful of food originated out of the pockets of hard-working American taxpayers. In many of these very same countries, the population does not even benefit by our good acts.

When we gave away our first dollar of foreign aid we opened up the biggest international Pandora's box in the world's history. To those whom we give, we must keep giving or they threaten to reject us and turn to the Communists. Those to whom we have not given, threaten to turn to the Communists unless we do.

On some occasions our Government has even poured foreign aid into the hands of Communist ruled nations. In fact, a great deal of foreign aid was sent behind the Iron Curtain while our Government was neglecting Latin America. The Philippines and the Liberians and other friends, bitterly complain that we have done nothing or not enough for them. The whole situation reminds me of the reading of the late rich uncle's will. No matter what he gave to anyone, it was not enough or it was the wrong thing. We are in the same boat as a nation. We either do not do enough or it is the wrong kind to the wrong people. We should have never even started. When the money is gone and the taxpayer is broke and our backs are against the wall, we will find out that the only thing foreign aid has done is to create jealousies and enmities among nations and weakened our economy.

To highlight the idiocy of our foreign aid program, I would like to bring to the attention of the Senate the fact that the United States under its technical and economic cooperation program constructed in Poland behind the Iron Curtain a $2,500,000 continuous operation steel-galvanizing factory, the only one of its kind in the entire Communist world.

This plant was dedicated by Red Poland's acting premier on July 12. This is the same Polish Communist who in April of this year led an anti-U.S. rally in Poland. When the new plant opened, he praised the technical and economic cooperation program which brought the facility to Poland. It is easy to see why he would praise a program that would take money out of the pockets of American taxpayers and construct a factory in Communist Poland to help the Reds in their rearmament program, not to mention the boost to Red employment and economy. This plant was not built in a day and was under construction at the time the Polish Premier was leading the anti-U.S. rally. Neither has this plant—called the Lenin Steel Works in honor of the first great Russian Communist leader—deterred Mr. Khrushchev in his saber rattling over Berlin nor has it engendered Polish friendship. We are still the suckers. I hate to tell the taxpayers of America this, but I am afraid their $2½ million have gone down the drain to come back at us in the form of Soviet arms at some future date. It is sadly reminiscent of the scrap iron exports to Japan that preceded World War II. The dreamers who hope to democratize Red Poland with American industry had better take a more practical look up the barrels of Mr. Khrushchev's guns before they send more money after bad.

There is another interesting aspect of our foreign aid program and its effect upon the people it is supposed to be helping. For example, in India we devoted eight times as much money to the development of heavy industry in that nation, all of which will be, if not now, competitive with American industry, than we spent on elementary education for India. In fact, they spent twice as much on one steel mill in India as they did on all elementary education. Our planners have gone crazy. Instead of educating the ignorant masses into the ways of democracy and freedom, they have spent money building steel mills to compete with us abroad.

There are more, unbelievably more, examples of waste, inefficiency and ineffectiveness initiated by this program. It is a blind program, a program which wears a disguise, and we are quickly being caught in its trap.

I have pointed out examples. I have shown what foreign aid has brought us in Cuba, in Korea, in Laos, in Pakistan, in Japan, in Poland. But that is not all—the list is endless. And, I warn you, the longer we continue to tease these underdeveloped countries with America's "free" money, the longer we will be playing a treacherous game of dishonesty.

In this pending bill the American people are being asked to throw $8,800 million down the drain. Such a reckless bill will only bring more threats and ultimatums, more galvanized steel mills behind the Iron Curtain, and more red flags waving 90 miles from our own shores. The very people who have been charged with bungling foreign aid programs and wasting billions of taxpayer dollars will now have 5 years—unchecked by Congress—to give handouts to neutrals, enemies, or anyone else who will accept them. This bill is a lifetime license to squander. As judges over the record of previous foreign aid, it is our duty to revoke the license—not renew it for life.

Let me remind the Senate that the power to appropriate and raise revenues rests with Congress and not with the executive branch. It is the Members of Congress who must bear the burden and heavy responsibility for inflation, for unbalanced budgets, for our all-time high public debt.

To further emphasize the financial burden of this proposal, let me quote a comparison made before the hearings conducted by the Senate Foreign Relations Committee on this bill. Mr. Elgin Groseclose, who was representing the Citizens Foreign Aid Committee, declared that:

> Our oversea payments are the equivalent of the receipts of our entire telephone industry; or that it takes all the income of the automobile industry, both returns to

workers and to investors, to meet this foreign aid bill; or that we pay out through our various oversea programs all the revenues generated by the gas and electric utilities industries.

For Congress to throw away its responsibility to check upon and to make appropriations would be disastrous. It would be a violation of the trust placed upon each of us by the U.S. Constitution and the people of this country.

This pending bill amounts to reprehensible back-door spending on an unprecedented scale. The annual appropriation system, which has previously provided for vastly expanding U.S. Government activities, including two major wars, most of our domestic programs, including billions in foreign aid, is now suddenly considered inadequate to finance the social development of Africans, Asians, and Polynesians. Consequently, this outrageous proposal authorizes the President to make loans for projects in unspecified areas of up to $900 million in 1962, and $1,600 million for each 4 years thereafter by borrowing from the Treasury. In short, it all boils down to a devious method of putting foreign aid casually and carelessly outside of our regular appropriation process.

In my opinion, the strongest drive behind this long-range 5½-year bill lies not with need, but with fear—fear from the foreign aid backers that public opinion will overwhelm the program in another year and someone may be out of not only money, but a program and a job.

Those who would be the first to be dropped from the payroll if we did away with foreign aid are the very ones who have been the chief advisers for keeping the program operating.

They advised former President Truman and former President Eisenhower, and now they are advising President Kennedy to advocate and to spend $10 billion on the same misleading ideology. They plan the program, run the program, and, quite naturally, they support and praise the program.

The bill grabs $300 million a year from repayments to the Treasury, which would in normal circumstances go to reducing the national debt or perhaps even to relieving the taxpayer. But that is still not the complete picture. The bill gives the President such wide authority to tap other programs and resources, including military and strategic stockpiles, that the total outlay will be far greater than $8,800 million. I would estimate an approximate total of $10,500 million will be spent over the next 5 years, not including $1,800,000 in military aid, plus such sums as may be necessary to implement the act.

Some of the proponents of foreign aid spending have had the nerve to raise the point that, by increasing postal rates, we may be able to help balance the budget and eliminate some of our deficits. The Washington Daily News recently attacked my position opposing postal rates, charging that I "apparently do not care about deficits or fair play for the taxpayers."

Those proponents of postal rate increases would lead the Nation to believe that we could pay for our rearmament program and our foreign aid program by increasing postal rates. This is ridiculous. If the Washington Daily News and similar advocates of a balanced budget really want to do something about our deficit and deficit financing, they should join those of us who oppose foreign aid. If we had the $90 billion that have been spent on foreign aid, our country would not be in a position of having to borrow money.

We would have a balanced budget instead. Now we must pay approximately $3 billion interest on that $90 billion. That is about what it costs us today.

It has been pointed out that the Government may have to borrow $7 billion this year to meet expenses.

I should like to point out that, at the end of the 5 years during which this proposed foreign aid bill extends, we shall have paid out approximately $625 to $630 million in interest alone. But that is by no means the end of the interest debt. After these 5 years have gone by, the interest cost on this one bill will continue at the fantastic amount of approximately $215 to $220 million per year. It should be clear that I refer only to this newly proposed obligation.

The truth is that, of $75 billion, $900 million spent between July 1945 and June 1961 on foreign aid, we paid a total of almost $16,760 million in interest. This assumes we borrowed the money. We did have to borrow it.

The proposed postal rate increases would only raise roughly one-half billion dollars, which would hardly meet even the interest payments on the proposed pending foreign aid bill now before us. The fact is, more than two-thirds of all the new revenue that would be raised by proposed postal rate increases would come from the first-class letterwriter. Only about one-third would come from second- and third-class mail. Once again, the attempt is to put the burden on the little people.

Those who are proposing postal rate increases try to say we can pay the cost of meeting the Berlin crisis with a 5-cent stamp. This is utter nonsense. Even if it were possible to do so, it would certainly be an unfair method of financing. I do not think the American public desires to demand that first-class mail users finance our military budget or the monstrous foreign aid program. The first-class mail user, now paying 4 cents for the average letter, is actually paying far beyond the cost of handling his mail.

Attempts by the wild spenders to finance their programs at the expense of the first-class mail user is ridiculous. Any defense or foreign aid expenditure is a cost which should be met by all Americans, not just mail users. If the big spenders desire to do something for their country, they will join in the fight to stamp out foreign aid giveaway programs, and certainly oppose long-range, expensive borrowing as proposed in this bill.

I dare anybody to stand on the floor of the Senate to propose that there be attached to the bill the revenue necessary to pay the costs of the bill, then to see whether or not the bill will pass.

The State Department's argument that other programs have been financed by this inflationary back-door method is hardly impressive when we consider the true realities.

I cannot believe that any Congress would give up rights specifically entrusted to it by the U.S. Constitution and every American citizen. To do so for no more critical emergency than the doling out of ineffective funds to underdeveloped countries would be insanity.

Some backers of the bill say we must pass it because of the Berlin crisis. I say, foreign aid has nothing to do with Berlin or our national defense posture except to be a drag upon our economy. If foreign aid is connected to the Berlin crisis, then it is a big flop, for we stand in Berlin under threats from the Red bloc just as we stood at the end of World War II. I fail to see any connection between foreign aid and Berlin.

I warn Senators—and I hope this warning never turns into another "I told you so"—that the pending legislation will commit us to ends and responsibilities which, by their very nature, we are powerless to attain. But above all, we shall be giving billions of dollars which will never create security or stability, but—as our past experience has proved—will build new and more menacing battlefields upon which our Western freedom must struggle with Soviet totalitarianism. Is this what we have been elected to do? To sit here and throw away almost $10 billion to create another Laos or another Cuba? If this so-called aid which has turned starving nations into battlefields has humanitarian implications, then its connection with America's security and interests is difficult, if not impossible, to establish.

We cannot force or buy in dollars and cents the democracy and liberty which has taken decades for Americans to build. Whether we give our handouts in 1-year or 5-year or 10-year packages, it will only lead, as it has in the past, to insults, ultimatums, inflation, and eventually perhaps even war.

Foreign aid has never been, and will never be, an effective weapon with which to combat Communist aggression. If Mr. Khrushchev wants to commit fiscal suicide with Soviet funds, then give him the rope with which to hang. Let us not hang ourselves. We have learned the lessons of foreign aid. We cannot afford to ignore them. The future of our Nation is at stake.

It is our duty to leave Americans with a more lasting heritage than a colossal economic hangover brought on by the tragically ineffective narcotics of foreign aid.

The United States has always been a leader, and today stands as the leader of the free world. We cannot afford to falter. We must not permit ourselves to be led astray by attempting to follow programs similar to those advocated by the Kremlin. Ours must be a different choice.

We must pour our every resource into the development of our strength and the strength of our allies. The only way we can ever accomplish freedom and liberty for all peoples is to kill this ridiculous theory of foreign aid, and take up the task of meeting commitments to our allies in the common defense of the free

world. For strength, show of force, and the will to live up to convictions is the only language which has been understood by tyrants, dictators, and aggressors throughout history.

The very life of our Nation and the freedom of our allies may well depend on the decision you make here today. I urge every Member of the Senate, for the protection of the citizens of the United States and of our allies all over the world, to vote against this monstrous legislative proposal, which would give up our legislative right and the privilege granted to us under the Constitution of the United States.

ORDER FOR ADJOURNMENT TO 10 A.M. ON MONDAY NEXT

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate adjourns this evening it adjourn to meet at 10 a.m. on Monday next.

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

FEDEDAL AID TO EDUCATION

Mr. HRUSKA. Madam President, in recent days there has been considerable discussion of Federal aid to education with particular reference to federally impacted areas.

My attention has been called to a two-installment editorial discussion of Federal aid to education in the Norfolk (Nebr.) Daily News in its July 24 and 25 editions.

That journal for many years had for its publisher the late Gene Huse, beloved and respected by Nebraska citizenry and its editors. Since his recent decease, the News is published by his son Jerry Huse, who is admirably carrying on the tradition so well established by the father.

Mr. Emil "Scotty" Reutzel, who recently assumed editorship of that very respected journal, is responsible for the two editorials therein to which I refer.

In the conclusion of his first editorial, he stated:

> It is possible to admit that many areas of our country are below a desirable norm and still conclude that the appropriation of Federal money will not provide the answers.

He pointed out that the Federal Government does have a role in education in specialized and limited respects. One of those he mentions is that "during the time that our shortage of scientists presents danger to the Nation, it is a proper function of government to encourage a buildup in that field and to provide direct assistance through the granting of fellowships to teachers in order that they may learn better methods of instruction, to provide funds for specialized teaching equipment and to issue scholarships."

This particular reference caused the Senator from Nebraska to recall the debates and the passage of the National Defense Education Act of 1958.

It will be recalled that the Russian sputniks went into orbit in November of 1957. Advocates of Federal aid to education immediately assumed the role of alarmists and vociferous crapehangers. There ensued a postsputnik hysteria which was immediately capitalized upon by such advocates who successfully sponsored the passage of the National Defense Education Act of 1958, and the law in August of that year.

This measure was adopted on the assumption that this act was a temporary measure—with a 4-year term—designed to meet a genuine emergency seriously affecting our national defense. In fact, section 101 of the act in the findings and declarations of policy states that, due to existing imbalances in our educational programs, the purpose of the act is to educate more of our population in science, mathematics, and modern foreign languages.

Within that framework of reference, preference was to be given to students who show outstanding ability in any of these fields of science, mathematics, and modern foreign languages.

RECORD OF THE PAST 3 YEARS

So here we are in August of 1961, 3 years later. We can now consider the Department of Health, Education, and Welfare National Defense graduate fellowship announcements for the period from enactment of the law up to 1961–62.

These announcement reports show the graduate training for prospective college and university teachers under title IV of the National Defense Education Act for the period mentioned.

They show a total of 3,840 graduates being trained. Of these only 27 percent were in the fields of physical sciences and mathematics and engineering. The balance were fellowships granted in the field of the humanities.

Only three fellowships were granted in nuclear engineering, which is one less than the four fellowships of graduates who devoted their time and the U.S. taxpayers' funds to Buddhist studies—cultural.

Over 400 of these fellowships spent their time and tax funds to study the classics, drama and the theater, speech, folklore, music, philosophy, religion, fine arts, and social studies of foreign areas.

The Senator from Nebraska would be the last to say that these courses are not valuable in education. He would not want to downgrade them for 1 minute for their real cultural and educational value. They certainly belong in the educational activity of any nation which claims to be civilized and which is striving to improve itself and the future of mankind.

The thing that is just a little difficult for one to perceive and appreciate is how such courses of study cure the "existing imbalances in our educational programs" which the act of 1958 seeks to cure by educating "more of our population in science, mathematics, and modern foreign language."

Mr. Reutzel's editorials, after pointing out that by resorting to Federal assistance the ability to influence education locally will disastrously deteriorate, concludes by pointing out that local judgment is not yet bankrupt, and that if Federal assistance is used to cure situations in some school districts which are not meeting their needs, the price of Federal strictures and controls would have to be paid by thousands of other school districts that have consistently taxed themselves heavily to meet their needs, and have done so effectively as educational systems.

The second editorial's concluding paragraph reads:

> With the typical impatience of any American who finds something wrong, those who have found educational ills have made a faulty diagnosis, they have prescribed heart surgery when indigestion is really the trouble.

I ask unanimous consent that the two editorials be printed in the RECORD at this point, together with a table showing the graduate training provided for prospective college and university students under title IV of the National Defense Education Act.

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

[From the Norfolk (Nebr.) Daily News, July 24, 1961]

FEDERAL AID FOR OUR SCHOOLS

Nebraskans, though they reside in a State that ranks highest among the 50 in the proportion of local spending for schools, should show little grief at the initial defeat of Federal aid for education measures.

"Initial" is the right qualifier, for measures to assist in school construction and to improve teachers' salaries are certain to crop up again, though least likely in this session of the Congress, despite President Kennedy's urging. The Rules Committee of the House—the same committee liberalized at the urging of the new administration by enlargement of the membership—voted this week not to have the measure considered. Now, only an unusual action by the House will resurrect them before adjournment.

Up to the present time, Federal assistance to local school districts has been principally in the fields of vocational agriculture, vocational home economics training, in encouraging scientific pursuits through scholarships and special instructor training, and also in direct assistance to areas where the population has swelled because of nearby Federal installations—so-called impacted areas. The school lunch program is another instance.

Each of these has been an area of legitimate concern to the Nation as a whole at one time or another. Today, however, the encouragement of scientific training through scholarships, provision of equipment, and teacher training, is the only area remaining where the reason for Federal assistance, that is, to meet a vital national need, can be used.

The Federal Government does have a role in education. It is one of assisting, in an advisory capacity, the States and local governments to meet their needs. On rare occasions it should enter into programs—assistance in science and mathematics, for example—where the lack of progress is directly related to our effectiveness in that most important battle we are waging and will be waging for many years: the one for freedom and against communism.

During the time that our shortage of scientists presents danger to the Nation, it is a proper function of Government to encourage a buildup in that field and to provide direct assistance through the granting of fellowships to teachers in order that they may learn better methods of instruction, to provide funds for specialized teaching equipment, and to issue scholarships.

But those who seek further Federal intervention into the conduct of our schools as a means not simply to meet critical national needs but to cure all the ills in our education system, must remember that in resorting to Federal assistance, the ability to influence education locally will deteriorate.

Advocates of Federal aid seek to raise the level of education in some areas of the country where statistics may show teachers are not paid enough, classrooms are deficient or instructors lack desirable qualifications.

It is possible to admit that many areas of our country are below a desirable norm and still conclude that the appropriation of Federal money will not provide the answers.

[From the Norfolk (Nebr.) Daily News, July 25, 1961]

FEDERAL AID AND LOCAL CONTROL

It is important to remember that in a nation as vast and diverse as ours, the public educational system is never likely to reach uniformity—just as the economies of each section of our country will not reach uniformity under our system of government. We would hope that there will never be a uniformity of our people, either.

Our educational system must serve us and in that sense, it is vital that public and private schools prepare our students for the individualistic society that we hope will continue far beyond their own lifetimes. There is a lack of understanding about this purpose of our educational system.

It happens to be incidental, though important, that today our students are subject to comparisons—at every grade level—of their progress as opposed to that of Russian pupils. This race must not obscure the principal purpose of American education: To teach our youths to live and serve and work as responsible members of a democratic society.

While our eyes must be focused on our standing in the educational field in relation to the Communists, our goals must be met without resorting to authoritarian methods.

Today, local school boards and State educational authorities exercise the judgment that enables us to work toward our goals. Local school officials are able to recognize the educational problems, judge the needs and meet them—all in their own ways and at a rate of speed which they set.

It is important that this be continued and that local influence not be whittled away. Because of the influence that is exercised locally, it is possible for students in Nebraska to learn a little more about farming than the youngsters in Boston and it is possible for the students in Virginia to know more about the history of their State than would be taught in Nevada.

Today, it is still possible for local boards of education to set salaries, to oversee the education of their youngsters, to hire and fire teachers and to see that building bond issues are put before the voters.

These things would not immediately be canceled merely because Federal aid is adopted and accepted. But the means to Federal control would exist.

As citizens, we must applaud the fact that Federal expenditures result in Federal scrutiny and Federal regulation of that for which the money is spent. It is this process that protects the money we submit to the Treasury each year.

But why, when we have the opportunity to avoid Federal regulation, do we ask for it? Surely local judgment is not yet bankrupt and local initiative not stilled forever.

It is on the basis that some school districts, somewhere, are not meeting their needs that the specter of Federal aid is raised. But the price that would have to be paid by the thousands of other school districts that have consistently taxed themselves heavily to meet their needs is far too high.

With the typical impatience of any American who finds something wrong, those who have found educational ills have made a faulty diagnosis, they have prescribed heart surgery when indigestion is really the trouble.

Graduate training provided for prospective college and university teachers under title IV of the National Defense Education Act of 1958 from 1959 up to 1961–62

Teaching profession	Beginning training in 1959		Beginning training in 1960		To begin training in 1961		Total being trained	
	Number	Percent of 1959	Number	Percent of 1960	Number	Percent of 1961	Number	Percent
Classics	8		23		29		60	
English language and literature	81		91		96		268	
Comparative literature	12		19		19		50	
Modern European languages and literature	66		130		118		314	8.1
Linguistics and communications	8		17		16		41	
Drama and theater	6		6		10		22	
Speech	5		6		4		15	
Folklore	3		5		5		13	
Music	6		15		17		38	
Philosophy	18		43		46		107	
Religion	15		14		10		39	
Buddhist studies (cultural)	0		0		4		4	
Fine arts	5		2		4		11	
Education	47		104		122		273	7.1
Sociological studies of foreign areas	28		44		36		108	
Business administration and accounting	26		25		32		83	
Economics	44		106		85		235	
Geography	0		0		6		6	
History	38		125		96		259	
Political science	60		77		95		232	
Sociology and anthropology	33		52		53		138	
Psychology	31		16		31		78	
Zoology	21		17		18		56	
Various biological sciences	106		115		123		344	
Total, all humanities and percent per year	667	70.0	1,052	73.7	1,075	72.7	2,794	72.0
Physical sciences and mathematics:								
Astronomy	9		8		7		24	
Chemistry	59		63		64		186	
Geology	5		16		18		39	
Mathematics	78		98		72		248	6.4
Oceanography	0		4		4		8	
Physics	67		53		74		194	
Subtotal and percent per year	218	22.0	242	17.0	239	16	699	18.0
Engineering:								
Chemical engineering	13		21		36		70	
Civil engineering	9		23		33		65	
Electrical engineering	23		30		25		78	
Mechanical engineering	8		31		33		72	
Aeronautical engineering: Missile and aircraft	7		2		3		12	
Nuclear engineering	0		0		3		3	
Other engineering specialties	8		26		13		47	
Subtotal and percent per year	68	7.0	133	9.0	146	10.0	347	9.0
Grand total							3,840	

Source: HEW: National defense graduate fellowship announcements, 1959, 1960, and 1961.

MILITARY ANTI-COMMUNIST SEMINARS AND STATEMENTS

Mr. THURMOND. Madam President, for a number of days now there has been discussion on the Senate floor with reference to a campaign designed to prevent military leaders from participating in activities to inform the American public and their personnel on the nature of communism. The Department of Defense has recently altered its former policy with regard to this subject, and press reports have attributed the change in policy to the contents of a memorandum which originated on Capitol Hill. On July 21, 1961, an article in the Washington Post over the byline of David Burnham reported, and I quote from the first paragraph of the article:

A Senate Foreign Relations Committee memorandum has warned that rightwing propaganda activities by military officers may create "important obstacles" to President Kennedy's programs.

The article further stated that the study, "was made available to United Press International yesterday." Under these circumstances, Madam President, I did not consider it to be out of order, and certainly not impertinent, to request from the chairman of the Foreign Relations Committee a copy of a memorandum which, according to the press, had been made available to one of the national wire services, especially after my staff was advised by the UPI that the memorandum was released on Capitol Hill.

I requested the copy in an hour and explained that I was scheduled to leave town after that period. Madam President, I ask unanimous consent that a copy of my letter of July 21 to the chairman of the Foreign Relations Committee and his reply of the same date be printed at this point in the RECORD.

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

JULY 21, 1961.

Senator J. WILLIAM FULBRIGHT,
Chairman, Senate Foreign Relations Committee, U.S. Senate, Washington, D.C.

DEAR BILL: I am attaching copies of two articles, one from this morning's Washington Post and another from this morning's New York Times, which shocked and disturbed me very much. In essence the articles report that a Senate Foreign Relations Committee memorandum has urged that military leaders be curbed in their efforts to indoctrinate servicemen and the American

public as to the insidious nature of world communism and the grave dangers which it poses to our Nation, both from without and within the borders of our own country. The New York Times article states further that the Defense Department has issued a directive in compliance with your committee staff memorandum.

I sent a member of my staff to the committee this morning to obtain a copy of this memorandum, but he was informed that the memorandum is not to be made available to the public, although the UPI story in the Washington Post says that the study "was made available to United Press International yesterday."

I then went to your office to talk with you and personally request a copy of the memorandum. Since you were not in, I talked with your assistant, Mr. Lee Williams. He informed me that you had no copies available—not even for yourself. He said that one copy had been sent to the President and another copy to the Secretary of Defense. I assume that in view of this action in sending a copy of the memorandum to the President and the Secretary of Defense that the memorandum has been approved by you and the full committee.

I am writing this letter to personally request that I be provided with a copy of this memorandum within the next hour as I would like to read its contents and possibly comment on it before leaving Washington after lunch.

With best wishes.

Sincerely,

STROM THURMOND.

JULY 21, 1961.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR STROM: In reply to your letter of this morning, the UPI story in the Washington Post was in error.

You will note that the New York Times states clearly that this was a private memorandum to the Secretary of Defense, based primarily upon heretofore published reports. The memorandum is in no way a committee memorandum, no member of the committee even knew about it, and the committee takes no responsibility for it. Since it is a private communication to the Secretary of Defense, I have not felt that it is necessary to make it available to anyone else.

I am very sorry that this misunderstanding has arisen, but I have found the press sometimes to be unreliable in the way it presents such matters. Where it obtained the memorandum is a mystery to me, as I did not make it available to anyone except the highest officials in the Government.

Very truly yours,

BILL,
J. W. FULBRIGHT.

Mr. THURMOND. Madam President, I was advised by the office of the Senator from Arkansas that they had had innumerable requests for copies of the memorandum, particularly from the press; and one member of the Foreign Relations Committee advised me that he had unsuccessfully tried to obtain a copy himself.

Madam President, I in no way intended that my request to see a copy of this memorandum be interpreted as an ultimatum, nor do I believe that any such inference can be logically drawn from my request. At the time the request was made, I was under the impression, as I stated in my letter, that the memorandum was a committee document, as the press had reported.

It was not, and is not, my intention to inject personalities into this matter. It so happens that I disagree completely with the Senator from Arkansas on a matter which, in my opinion, is vital to our Nation. It is a matter which bears on the survival of our country. It is a matter which must be discussed, debated, and, I sincerely hope, investigated, on its merits without regard to the individuals or personalities who may hold conflicting views on the subject.

Madam President, one thing above all should be understood with regard to the matter under discussion. The issue is not a question of subordination of the military to civilian control. There is not, nor has there been, any challenge to the firmly rooted fundamental that policy of the United States shall be made by elected civilian officers of Government, and as provided in the Constitution. The real issue in this matter is whether the American people shall be given the facts whereby they, themselves, can exercise the sovereignty which is theirs; and whether the American people, through the machinery of our Republic, shall have the final say on policies of the United States of America. This, Madam President, is the issue. This, Madam President, is obviously the reason for the secrecy of the attempt to withhold the facts from the American public.

The memorandum caused to be printed in the RECORD on August 2 in two places, first by myself, and later in the day by the Senator from Arkansas, is important, not primarily because of its origin—although that, too, is important—but above all for its content which reveals the real fears which underlie the exposure to the American public, in the Armed Forces and out, of the total nature of communism and the history of its many tactics of aggression.

This memorandum does attack our military leaders and their participation in efforts to give American citizens the facts about communism and the cold war. The attack of the memorandum on the military, however, is merely the application, in this instance, of the philosophy candidly expressed in the memorandum, that the American people are not to be trusted with governing themselves, particularly with reference to matters of foreign policy.

This memorandum does express fear of the military, and even apologetically cites the revolt of the French generals; but the ultimate fear expressed by the memorandum is not of the military, but of the American people themselves.

Three paragraphs from this memorandum constitute its heart; and every American should read all of this memorandum, but particularly these three paragraphs:

> The American people have never really been tested in such a struggle. In the long run, it is quite possible that the principal problem of leadership will be, if it is not already, to restrain the desire of the people to hit the Communists with everything we've got, particularly if there are more Cubas and Laos. Pride in victory, and frustration in restraint, during the Korean war, led to MacArthur's revolt and McCarthyism.
>
> This problem of democratic attitudes toward foreign policy has never been better stated than by De Tocqueville, who wrote:
>
> "Foreign politics demand scarcely any of those qualities which a democracy possesses; and they require, on the contrary, the perfect use of almost all those faculties in which it is deficient * * * a democracy is unable to regulate the details of an important undertaking, to persevere in a design, and to work out its execution in the presence of serious obstacles. It cannot combine its measures with secrecy, and it will not await their consequences with patience. These are qualities which more especially belong to an individual [a dictator], or to an aristocracy [or an oligarchy or presidium]."
>
> He also wrote of "the propensity which democracies have to obey the impulse of passion rather than the suggestions of prudence, and to abandon a mature design for the gratification of a momentary caprice."

This, Madam President, is not an indictment of military leaders for usurping civilian control, but an indictment of the ability of the American people to govern themselves and to know what is best for themselves.

Madam President, I am fully aware that few American citizens had the opportunity to study at Oxford; only a minute minority had the opportunity of attending Harvard; indeed, many of our citizens are not blessed with the opportunity of going to any college. Formal education is not, however, the sole source of knowledge and commonsense. Our entire history as a nation attests to the fact that the American people are qualified to exercise the sovereignty which belongs to them. To question the ability of the American people to govern themselves, much less to attack it, is to strike at the fundamentals of our governmental system, and its highest end—individual liberty. As I have stated previously, the American people will not stand for such an attack to be made publicly; and I could not live with my conscience if I knowingly let such an attack remain secret from them.

Madam President, when this memorandum is understood for what it is—an outright attack on the ability of the American people to govern themselves—it is not surprising to find in the memorandum the statement:

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

Madam President, unless our most urgent problem is the Communist menace, then truly, there is little need to alert the American public to the menace of the cold war. The need to give the American people the facts about communism exists only if communism is our No. 1 problem. This memorandum states, however, that the principal problem is to restrain the desire of the people to hit the Communists with everything we have got, particularly if there are more Cubas and Laoses.

Madam President, I have been told by the Assistant Secretary of Defense for Public Affairs that everybody knows the enemy. I must be very confused, for I thought the enemy was communism. I did not realize that, as this memorandum says so bluntly, the American public constitutes the principal problem.

As a matter of fact, I must confess my own sense of identity with the "uneducated" public, for even after reading this enlightening memorandum, I still think that our enemy is communism; and I fear naught from the patriotic

emotions of Mr. Average American Citizen.

Madam President, this memorandum not only states in emphatic terms that the American people are not qualified to decide national issues for themselves, particularly in the field of foreign relations, but it goes further and offers an example of such inability. The memorandum states:

It is probably the view of most Members of Congress today that if foreign aid were laid before the people in a referendum, it would be defeated.

Madam President, I, personally, would not presume to predict the outcome of such a national referendum, but whatever might be the attitude of the majority of Americans on foreign aid, I would as soon, or rather, trust the judgment of Americans as I would the judgment of those who administer the foreign aid program and present to us in Congress the proposals to trust their judgment and discretion for long-term commitments of a previously badly bungled program. I must confess that I am not one of those who believes that Washington is the seat of all wisdom.

As I have stated, I would not presume to predict the outcome of a national referendum on the question of foreign aid when put on an all-or-nothing basis. I must further confess, however, that on the question of giving assistance to Communist nations, as was proposed by the amendment to the Battle Act which passed this body recently, I have no doubts that the overwhelming majority of Americans would resoundingly vote "No." But they, like me, are deceived; for they too, I am convinced, are laboring under the assumption that communism is the enemy.

Madam President, this memorandum does not attempt to make a case of the military usurping or even challenging the policies made by duly authorized civilian authorities. Indeed, the first paragraph of the memorandum states:

1. Under a National Security Council directive in 1958, it remains the policy of the U.S. Government to make use of military personnel and facilities to arouse the public to the menace of the cold war.

The National Security Council directive of 1958 is still in effect, but there has apparently been a change, or at least a modification, of policy in its application—reportedly at least, as a result of this memorandum. It is with the change or modification in policy, and the reason which prompted such a change or modification, that I take issue. If this memorandum is the basis, even in part, for the change or modification in policy, the American people—civilians that they are—should also have the facts on which to judge the sufficiency of the basis for such a change or modification in policy. I, therefore, will do anything in my power to lay bare to the American people not only this memorandum but also any other facts and circumstances, now shrouded by secrecy, which underlie the change or modification in policy by the Department of Defense.

Madam President, I do not propose to discuss in detail at this time either the allegations in the attachments, on which the memorandum is purportedly based, nor the recommendations of the memorandum itself, although I shall have more to say concerning them in days to come. I should feel remiss, however, if I did not at least mention them in passing at this time.

The first attachment professes to list 11 instances of "education and propaganda activities of military personnel." I do not have the facilities which would have made it possible for me to have investigated each of these instances in detail in the short time the memorandum and its attachments have been available. All of the instances are reported in vague terms—and there are many other patent errors. The style of reporting, if this aggregation can be so dignified, is confused and, in places, obviously purposely misleading.

Great stress seems to be placed on the fact that at many of the conferences mentioned the film "Operation Abolition" was shown. It is an aggregate of allegations which deserves not only careful and skeptical reading, but also a judgment based on some knowledge of the individuals named, many of whom I know to be distinguished patriotic Americans, and a personal viewing of the films referred to, namely, "Operation Abolition," "Communism on the Map," and "Communist Encirclements—1961."

The recommendations of the memorandum itself each merit a separate discussion. At this time, however, I shall confine myself to comments on their composite aim. In essence, these recommendations would appear to seek a military which, as Adm. Arleigh Burke so aptly phrased it yesterday, "could be turned on and off like a faucet." All of the military under these recommendations would be turned off completely until there could be developed, and I quote, "a program for exposure of promising military officers to broader educational opportunities." From this I cannot escape the implication of the memorandum that the real objection to the military is that they have not been indoctrinated as to the identity and the source of the principal problem, which, according to the memorandum, is not communism, but the emotions of the American people.

According to the memorandum, military officers are so poorly indoctrinated as to the identity of the real enemy that the memorandum recommends that the control of the National War College be transferred from military to civilian hands, and that military officers not even be allowed to conduct troop information and educational programs at unit level, for that too, according to the memorandum, should be left to civilian hands. The question arises in my mind: On what criteria are such civilians, who are to be entrusted with this present military function, to be selected? It would be interesting to know just who are the civilians who have been exposed to such "broader educational opportunities."

Madam President, I have on previous occasions been impressed with, and I have stated, the need for an investigation of the basis of the change in policy in this regard by the Department of Defense. After carefully studying this memorandum and its assertion that it is the American people within whom resides the principal problem, I am more convinced than ever that a comprehensive investigation is essential. I, therefore, send to the desk for appropriate reference and printing a Senate resolution authorizing and directing the Armed Services Committee of the Senate to investigate this matter in its entirety.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 191) was referred to the Committee on Armed Services, as follows:

Resolved, That the Committee on Armed Services or any duly authorized subcommittee thereof is authorized and directed to make a full and complete study and investigation of the use of military personnel and facilities to arouse the public to the menace of the cold war, particularly with respect to: (1) the origin and basis for past and existing policy; (2) the content and the criteria for judging the content of troop informational and educational programs; (3) the role of the National War College; (4) the policies and practices of the Department of Defense with regard to the release or withholding of unclassified information; and (5) the delineation between the proper role of civilian authorities and military personnel within the Department of Defense and the Departments of Army, Navy, and Air Force.

The committee shall report to the Senate at the earliest practicable date the results of the study and investigation, together with such recommendations as it may deem advisable.

SEC. 2. For the purpose of this resolution the Senate Armed Services Committee is vested with the full subpena powers of the Senate.

SEC. 3. For the purposes of this resolution the committee, from September 1, 1961, to June 30, 1962, inclusive, is authorized: (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,400 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 4. Expenses of this committee under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADJOURNMENT UNTIL 10 A.M. MONDAY, AUGUST 7, 1961

Mr. McNAMARA. Madam President, if there is no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate adjourn until 10 o'clock a.m. next Monday.

The motion was agreed to; and (at 5 o'clock and 34 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, August 7, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 4, 1961:

THE JUDICIARY

William T. Beeks, of Washington, to be U.S. district judge for the western district of Washington, vice John C. Bowen, retired.

U.S. MARSHAL

George M. Stuart, of Alabama, to be U.S. marshal for the southern district of Alabama for the term of 4 years, vice James L. May.

BUREAU OF CUSTOMS

DuBrutz Cutlar Moore, Sr., of North Carolina, to be collector of customs for Customs Collection District No. 15, with headquarters at Wilmington, N.C.

BUREAU OF INDIAN AFFAIRS

Philleo Nash, of Wisconsin, to be Commissioner of Indian Affairs.

PUBLIC HEALTH SERVICE

The following-named persons to be members of the Board of Regents, National Library of Medicine, Public Health Service, for terms of 4 years expiring August 3, 1965:

Dr. Norman Q. Brill, of California.

Dr. Saul W. Jarcho, of New York.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 4, 1961.

POST OFFICE DEPARTMENT

William J. Hartigan, of Massachusetts, to be an Assistant Postmaster General.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

John E. Cosgrove, of Maryland, to be an Assistant Director of the Office of Civil and Defense Mobilization.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade indicated, subject to qualification therefor as provided by law:

To be major generals

John P. Condon
Robert E. Cushman
Richard G. Weede
Leonard F. Chapman, Jr.
Henry W. Buse, Jr.
Herman Nickerson, Jr.

The following-named officers of the Marine Corps for temporary appointment to the grade indicated, subject to qualification therefor as provided by law:

To be brigadier generals

Carl A. Youngdale
Ormond R. Simpson
John G. Bouker
Norman J. Anderson
Keith B. McCutcheon
Ronald R. Van Stockum

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3307:

To be major general, Medical Corps

Maj. Gen. Clinton Stone Lyter, O18291, Army of the United States (brigadier general, Medical Corps, U.S. Army).

To be major general

Maj. Gen. William Wilson Quinn, O19283, Army of the United States (brigadier general, U.S. Army).

The following-named officers for temporary appointment in the Army of the United States, to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. James Benjamin Lampert, O20147, Army of the United States (colonel, U.S. Army).

Brig. Gen. Chester Victor Clifton, Jr., O20246, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Arnold Heintges, O20281, Army of the United States (colonel, U.S. Army).

Brig. Gen. Oliver Clark Harvey, O38776, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Leslie Snyder, O19627, Army of the United States (colonel, Medical Corps, U.S. Army).

Brig. Gen. Ethan Allen Chapman, O19076, Army of the United States (colonel, U.S. Army).

Brig. Gen. Jonathan Owen Seaman, O19385, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Francis Franklin, Jr., O19476, Army of the United States (colonel, U.S. Army).

Brig. Gen. Stanley Robert Larsen, O22094, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Andrew Jackson Goodpaster, O21739, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Andrew Ralph Lolli, O29844, Army of the United States (colonel, U.S. Army).

Brig. Gen. Andrew Joseph Adams, O18579, U.S. Army.

Brig. Gen. Berton Everett Spivy, Jr., O19479, U.S. Army.

To be brigadier generals

Col. Arthur Houston Frye, Jr., O19716, U.S. Army.

Col. George Henry Walker, O20617, Army of the United States (lieutenant colonel, U.S. Army).

Col. James Emile Graham, O19622, Medical Corps, U.S. Army.

Col. John Marshall Kenderdine, O43446, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward Clare Dunn, O20245, U.S. Army.

Col. Ephraim Foster Graham, Jr., O20838, Army of the United States (lieutenant colonel, U.S. Army).

Col. Adam Watts Meetze, O30087, U.S. Army.

The U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, section 3384:

To be major general

Brig. Gen. John William Libcke, O233642.

To be brigadier generals

Col. Frederick Victor Austin, Jr., O252501, Corps of Engineers.

Col. Herbert Borden Brand, O916491, Transportation Corps.

Col. Philip Joseph Donovan, O1577103, Transportation Corps.

Col. Selig Jacob Levitan, O276524, Chemical Corps.

Col. William Surles McArthur, O312407, Artillery.

Col. Philip Daniel Myers, O293334, Artillery.

Col. Roy William Peters, O309977, Infantry.

Col. Laddie L. Stahl, O448301, Artillery.

Col. Hugh Reid Thompson, Jr., O342933, Infantry.

Col. Robert Cleland Tyler, O281150, Corps of Engineers.

Col. John Wister Wurts, O283443, Artillery.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sec. 3385:

To be major general

Brig. Gen. Harley Bruce West, O268317.

To be brigadier generals

Col. Charles Watts Fernald, O1287851, Adjutant General's Corps.

Col. George Oliver Pearson, O253334, Adjutant General's Corps.

Col. Noble F. Schlatter, O408711, Adjutant General's Corps.

Col. Charles C. Thorstensen, O283700, Artillery.

Col. Howard Samuel Wilcox, O423347, Infantry.

The nominations beginning Oliver R. Buesing, to be colonel in the Regular Army, and ending Alan A. Word, to be second lieutenant in the Regular Army, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 25, 1961.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 4, 1961

The House was not in session today. Its next meeting will be held on Monday, August 7, 1961, at 12 o'clock noon.

Pursuant to an order of the House on Thursday, August 3, 1961, Mr. THOMAS submitted a conference report on H.R. 7445, independent offices appropriation bill, fiscal 1962.

EXTENSIONS OF REMARKS

The Postmaster as a Community Leader—Address by Senator Byrd, of West Virginia, Before West Virginia Postmasters

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, August 4, 1961

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a speech which I made on July 29 before the West Virginia chapter, National Association of Postmasters, at Martinsburg, W. Va.

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

AN ADDRESS BY HON. ROBERT C. BYRD, OF WEST VIRGINIA, BEFORE THE WEST VIRGINIA CHAPTER, NATIONAL ASSOCIATION OF POSTMASTERS, MEETING AT MARTINSBURG, W. VA., JULY 29, 1961

The New England essayist, Ralph Waldo Emerson, once said, "Conversation is the laboratory and workshop of the student." This convention of West Virginia postmasters will no doubt prove the correctness of Mr. Emerson's contention. Gathering together to discuss your problems should not only lead to solutions, but also to further progress in the mail service of the State.

Americans have always taken pride in our mail service. From childhood up, each of us has come to understand that despite the vagaries of weather—rain, sleet, snow, or the burning sun on a humid day—the delivery of mail is a certainty. Few of us realize, however, what it takes, administratively, to give America the best mail service ever.

But every step that is taken to improve and strengthen the postal service, is also a step

that serves to bolster the economy of the Nation. This is proven history.

Take, for example, the suggestion which the postal service made to the banking business several years ago—that the mails should be considered for the sending of checks for deposit to customers' accounts. Within the span of a few years, the volume of such check-deposit mail handled by the Nation's banks has placed this service in fifth position among the more than 20 services daily performed by banks.

Within the past 10 days the postal service has launched a new program under the title of "Nationwide Improved Mail Service." As you know, the largest mailers in each city have been given membership in the Citizens Advisory Council for Postal Operations. As a whole, these large mailers generate approximately 70 percent of our country's mail volume. By working with these citizen groups, it may be possible to help them plan for a rescheduling of the vast amount of mail they now deposit in the late afternoon—a flow which creates an evening peakload of mail instead of a balanced flow during the entire course of the day.

Thus, this step—the creation of the Citizens Advisory Council—can only lead to a better than ever mail service, and this will prove a boon to the economy of the country.

But the role of the postmaster goes beyond that of seeking ways to speed the delivery of mail. He must also have an intimate concern with the problems of his community—the social ones as well as the economic ones—for as his community grows and prospers, so will his post office grow and prosper.

The economic potentials of West Virginia are nothing short of tremendous. For the most part these potentials are inherent in our many natural resources—resources which literally beg for development and exploitation. The development of these resources, however, calls for the imagination, the energy, and the resourcesfulness of leaders in each and every one of our communities.

The postmaster, by his very position, is a leader in his community. He knows the shape and character of his community. He knows the human potentials of his community. It is logical, therefore, that he is also intimately aware of his community's social and economic needs, and perhaps has also given much thought to how improvements can be made in each direction.

This knowledgeable man, the postmaster—this man who has an encyclopedic store of community information—should be an active member of any local group of citizens concerned with community development. Moreover, he is an ideal man for such a group, because he has no ax to grind, no vested interest to be concerned with other than his vested interest in the growth and progress of his community. He can be an impartial arbiter of differences of opinion, a valued mentor whose thoughts would be respected.

Now that the Area Redevelopment Act is the law of the land, there is opportunity for every West Virginia community that has suffered economic decline to invigorate itself, to enrich itself with job opportunities through the attraction of new industries or the expansion of existing ones. Certainly, industry contemplating moving into a depressed community would be concerned with the kind of postal service that would be available. Here, then, would be an opportunity for a postmaster to secure the future of his community by pledging expeditious service—the kind of service that may require a bit of shuffling around of routes, a realinement of clerical help, and perhaps a rescheduling of working hours.

Tourism holds forth a great economic potential for West Virginia. There can be no denying the beauty and grandeur of our State. But there are other attractions which should interest outsiders and encourage them to visit with us. For example, in the very near future we are going to celebrate our 100th birthday as a State, and we shall do this with numerous activities in many sections of the State. Here, then, is a proposition for this convention to consider:

In certain instances the Post Office Department permits the use of slogans with cancellation dies. Permission has been granted for the use of such slogans as "Keep Maine Green," and others dealing with historical events. Why not plan now, on a Statewide basis, to have a cancellation die slogan such as: "Help West Virginia celebrate her century of statehood in 1963." This kind of cancellation die slogan on every letter mailed in West Virginia, could be very helpful in giving a solid spurt to tourism in our State.

I firmly believe that the postmasters of West Virginia can help our people end the paradox of economic distress amid the vast natural wealth of our State. I believe this because the postmasters of West Virginia have always been a constructive force—a progressive force which wisely maintains a mutuality of interest with the people of their communities. As people dedicated to the service of other people, our postmasters always seem to extend themselves beyond the call of the postal service. They represent themselves not only as servants of the postal system, but also as servants of the entire U.S. Government.

They willingly post their office walls with notices and announcements from a vast number of Federal departments and agencies. Often, their walls are not large enough for the posting of everything sent them, but they do their best to get the welter of such material pinned up for public perusal.

This very clutter of notices and announcements, however, often repels, rather than attracts, readers. Unfortunately, this may mean an unawareness of some important fact, or even a post-employment opportunity.

Take, for example, postings of civil service examination notices. Because of the excessively high rate of unemployment in our State, such notices of job opportunities are especially important to West Virginians. But if such notices are part of a clutter—as they most often are—they may not get read.

Here again, then, is an opportunity for the kind of community service that makes our postmasters outstanding citizens. A busy man always finds time for some additional work. In this instance, the additional work would be to advise local newspapers and radio stations of the civil service examination notices the moment they come to the office. You will find these news media more than anxious to make known, to the entire area that they cover, the Federal job opportunities that are available.

The good people that Uncle Sam wants for Federal employment may be your post office customers. Certainly, they could be members of your community. Thus, you may be performing a doubly good deed by widely publicizing Federal job opportunities—helping someone find useful employment, while helping the Government obtain the best possible employable persons.

Today, the U.S. postal service is the biggest mail service in the world. Although our country occupies only one-fiftieth of the land surface of the globe, the people of America send and receive nearly two-thirds of the total world's mail volume. Yet, we are not satisfied. We believe we should be sending even greater volumes of mail—intracity, intrastate, and interstate.

The free flow of mail—of correspondence—is a guarantee of freedom, for so long as we can freely communicate among ourselves, we shall fight to be a free people. For the expeditious and free flow of our mails, we have our postmasters to thank. And in thanking you, our West Virginia postmasters, I am mindful of what William Makepeace Thackeray once wrote: "Next to excellence is the appreciation of it."

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 7, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 119: 165: *Great peace have they who love Thy law.*

O Thou who art able and willing to do for us abundantly above all that we ask and think, we humbly confess that we daily need Thy help for we are unequal to our tasks and responsibilities.

However desperate and dire our needs may be, grant that we may never be tempted to feel that all that is noble and good in our civilization is at the mercy of the powers of darkness.

When fears and anxieties storm the citadel of our souls inspire us to carry on bravely, believing that the future is as bright as this glorious promise: "Thou wilt keep him in perfect peace whose mind is stayed on Thee."

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, August 3, 1961, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 20, 1961:

H.R. 866. An act to amend section 4004 of title 38, United States Code, to require that the Board of Veterans' Appeals render findings of fact and conclusions of law in the opinions setting forth its decisions on appeals;

H.R. 3385. An act to amend the Tariff Act of 1930 to provide for the free entry of electron microscopes and certain other apparatus imported by, or on behalf of, certain institutions;

H.R. 6441. An act to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control, and for other purposes; and

H.J. Res. 472. Joint resolution providing for the apportionment to the Commonwealth of Massachusetts of its share of funds authorized for the National System of Interstate and Defense Highways for the fiscal year ending June 30, 1963.

On July 21, 1961:

H.R. 2645. An act for the relief of Wieslawa Alice Klimowski;

H.R. 2953. An act to amend section 521 of title 38, United States Code, to provide that certain service shall be creditable for pension purposes;

H.R. 4349. An act to place Naval Reserve Officers' Training Corps graduates (Regu-